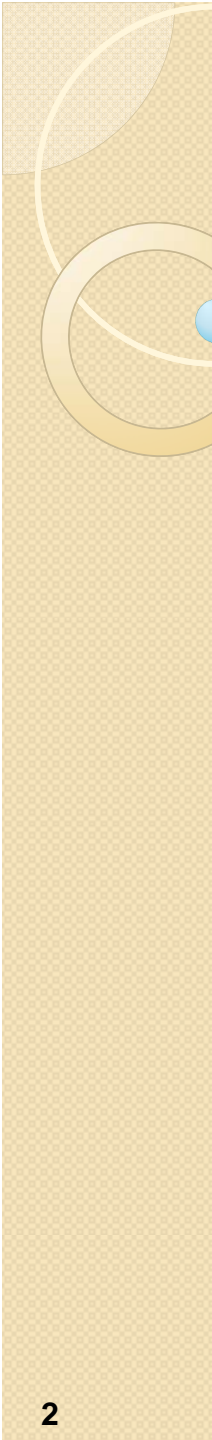


MILLS

Management Incorporation
& Legal Services



Formation and maintenance of UK Companies and English Partnerships

By Anita Saha
BAB, MS

Key Learning Outcomes

Develop an understanding:

- Of a limited company's formation, maintenance requirements and procedure
- Of a limited liability partnership's registration requirements, maintenance and procedure

Main Types of UK Companies

- Private company limited by shares
- Private company limited by guarantee
- Private unlimited company
- Public limited company

Company Formation

- Application (Form IN01) accompanied with fee
- A memorandum of association
- Articles of association (except certain conditions)
- Name approval (prescribed or sensitive word or expression)

Company Formation

Requirements

- **Director:** Minimum of one Director (physical person).
- **Secretary:** A Secretary is not necessary.
- **Shareholder:** Minimum of one Shareholder.
- **Share Capital:** The issued share capital is the share capital.
- **Registered Office Address:** Must be a physical location in the UK and in the same part of the UK as where the company was incorporated.
- **Name of the Company:** Must end with Limited or Ltd

Who can be a company director

A person that:

- Is not disqualified
- Is not an un-discharged bankrupt
- Is over the age of 16

Disclosure of company details

- Company name
- The part in the UK in which the company is registered (ie England and Wales, or Wales, or Scotland, or Northern Ireland)
- Company's registered number
- The address of the company's registered office
- The fact that it is a limited company

Accounts of a Limited company

- All companies with limited liability must prepare accounts and send an original signed set to Companies House and HM Revenue and Customs for entry on the public register
- Must start on the day on which it was formed
- Accounts submitted to Companies House
 - If the first accounting reference period is more than 12 months, within 21 months of the date of which it was formed, or 3 months from the end of the accounting reference period, whichever is longer
 - Then onwards, within 9 months of the end of the accounting reference date

ACCOUNTS OF A LIMITED COMPANY (CONTINUED)

- Accounts submitted to HMRC
 - Full set of accounts
 - Company Tax Return
 - Corporation Tax
- Self Assessment
- PAYE and National Insurance

Note: If all above from are not submitted on time, penalties will be imposed.

Penalty for late accounts filing

All limited companies must send their accounts and reports to Companies House. If they are submitted late, the law automatically creates a penalty.

Length of delay	Private Company Penalty
Up to 1 month	£150
From 1 up to 3 months	£375
From 3 up to 6 months	£750
More than 6 months	£1500

Auditing Requirements

- Small and medium-sized Companies exceeding a turnover of £5.6 million or net assets exceeding £2.8 million are required to have a full statutory audit by a registered auditor.
- Companies with a turnover and net assets below these thresholds do not require any formal audit certificates.

After Incorporation

Companies House must be informed for:

- Changes of director(s) and secretary – within 14 days
 - Appointments – use Form AP01, AP02, AP03, AP04
 - Resignations – use Form TM01, TM02
 - Change of personal details – use Form CH01, CH02, CH03, CH04
- Details of new shares being allotted – within one month (form SH01)
- When a resolution changes the Memorandum or Articles of Association

After Incorporation (continues)

- Change of the Registered Office – within 14 days (form AD01)
- Opening an overseas branch (form AD06)
- Restoration (form RT01)
- Annual Return (form AR01)

Three forms of English Partnerships



Partnership

Limited
Partnership

Limited
Liability
Partnership

Partnership

- A partnership is the relation between two or more physical or legal persons carrying on a business with a view of profit
- Governed by the Partnerships Act 1890
- Partnerships are not separate legal entities and partners do not have limited liability
- Business affairs are entirely private and there is no obligation to register financial or membership information at a public registry

Limited Partnership

- Governed by the Limited Partnership Act 1907
- Must be register at Companies House but there is no disclosure of their accounts
- Allows for limited partners alongside general partners with unlimited liability
- Liability of limited partners to the amount of their contribution to the partnership
- Limited partners are excluded from all management positions

Limited Liability Partnership (LLP)

- Has a legal personality separate from its members
- Governed by the Limited Liability Partnerships Act 2000 and the Limited Liability Partnership Regulations 2001
- The constitution of LLP, the members' internal agreement and the division of management powers and profits, need not be registered
- Required to file annual accounts and an annual return
- Liability of members is limited to such amount as they have agreed internally

Registration requirements of an LLP

- Application (Form LL IN01) accompanied with fee
- **Members:** Minimum of 2 physical or legal persons
- **Designated Members:** At least 2 member
- **Registered Office Address:** Must be a physical location in the UK and in the same part of the UK as where the company was incorporated.
- **Name of the LLP:** Must end with LLP

Incorporation form LL IN01

The form specifies:

- The limited liability partnership's name
- Where the registered office of the limited liability partnership is situated (England, Wales, Scotland or Northern Ireland)
- The address of the registered office
- Details of all members

Form LL IN01 (continued)

- Which of these persons are to be designated members or that all members are designated members
- A statement of compliance that must be signed by a solicitor or a member

All members and designated members must sign and date Form LL IN01

Designated members duties

- Appointing an auditor
- Signing the accounts on behalf of the members
- Delivering the accounts to the Registrar
- Notifying the Registrar of any membership changes or change to the registered office address or name of the limited liability partnership
- Preparing, signing and delivering to the registrar an annual return
- Acting on behalf of the limited liability partnership if it is dissolved

Accounts of an LLP

- LLP's first accounts must start on the day of incorporation
- Accounts must be delivered
 - If the first accounting reference period is more than 12 months, within 21 months of the date of which it was formed, or 3 months from the end of the accounting reference period, whichever is longer
 - Then onwards, within 9 months of the end of the accounting reference date

ACCOUNTS OF AN LLP (CONTINUED)

- Accounts submitted to HMRC
 - Full set of accounts
 - Partnership Tax Return
 - Corporation Tax
- Self Assessment
- PAYE and National Insurance

Note: If all above from are not submitted on time, penalties will be imposed.

Penalty for late accounts filing

Penalties were implemented for encouraging designated members and directors to file their accounts on time.

Length of delay	LLP Penalty
Up to 1 month	£150
From 1 up to 3 months	£375
From 3 up to 6 months	£750
More than 6 months	£1500

Companies House must be informed in case there are:

- Changes of members and designated members – within 14 days
 - Appointments - use forms LL AP01 and LL AP02
 - Resignations - use form LL TM01
 - Changes of designation use Form LL DE01
- Change of members' and designated members' personal details – within 28 days using forms LL CH01, CH02

continued

- A change of registered office – within 14 days use form LL AD02
- Restoration (form LL RT01)
- Annual Return (form LL AR01).

QUESTIONS





MILS
Management Incorporation
& Legal Services

Suite 2-10, 2nd Floor
Westbourne House
14-16 Westbourne Grove
London
W2 5RH
United Kingdom

Tel: +44 (0) 8454 6363 77
Fax: +44 (0) 8452 6969 77

E-mail: mils@mils.co
Web: www.mils.co

**THANK YOU
FOR YOUR
PARTICIPATION**