

Check if setting up a limited company is right for you

Choose a name

Choose directors and a company secretary

Decide who the guarantors are and Identify people with significant control (PSC) over your company

Prepare documents agreeing how to run your company – Memorandum / Articles of Association etc

Check what records you'll need to keep

Register your company

You'll need to register an official address and choose a SIC code - this identifies what your company does.

Sample SIC codes –

74990 **Non-trading company**

94990 **Activities of other membership organizations n.e.c.**

96040 **Physical well-being activities**

01610 **Support activities for crop production**

Your company's annual accounts - called 'statutory accounts' - are prepared from the company's [financial records](#) at the end of your company's financial year.

You must always send copies of the statutory accounts to:

- people who can go to the company's general meetings
- Companies House
- HM Revenue and Customs (HMRC) as part of your Company Tax Return

You have different [deadlines](#) for [sending your accounts to Companies House](#) and your tax return to HMRC, but you may be able send them at the same time.

If [your company is small, a micro entity or dormant](#), you might be able to send simpler ('abridged') accounts.

How to put together statutory accounts

Statutory accounts must include:

- a 'balance sheet', which shows the value of everything the company owns, owes and is owed on the last day of the financial year
- a 'profit and loss account', which shows the company's sales, running costs and the profit or loss it has made over the financial year
- notes about the accounts
- a director's report (unless you're a ['micro-entity'](#))

You might have to include an auditor's report - this [depends on the size of your company](#).

The balance sheet must have the name of a director printed on it and must be signed by a director.

Accounting standards

Your statutory accounts must meet either:

- International Financial Reporting Standards
- New UK Generally Accepted Accounting Practice

Small companies

Your company will be 'small' if it has any 2 of the following:

- a turnover of £10.2 million or less
- £5.1 million or less on its balance sheet
- 50 employees or less

If your company is small, you can:

- use the exemption so your company's accounts [do not need to be audited](#)
- choose whether or not to send a copy of the director's report and profit and loss account to Companies House
- send abridged accounts to Companies House

Sending abridged accounts

You can only send abridged accounts if all your company members agree to it.

Abridged accounts must contain a simpler balance sheet, along with any notes. You can also choose to include a simpler profit and loss account and a copy of the director's report.

The balance sheet must have the name of a director printed on it and must be signed by a director.

Sending abridged accounts means less information about your company will be publicly available from Companies House.

Micro-entities

Micro-entities are very small companies. Your company will be a micro-entity if it has any 2 of the following:

- a turnover of £632,000 or less
- £316,000 or less on its balance sheet
- 10 employees or less

If your company is a micro-entity, you can:

- prepare simpler accounts that meet statutory minimum requirements
- send only your balance sheet with less information to Companies House
- benefit from the same exemptions available to small companies
- **Penalties for late filing**
- You'll have to pay penalties if you do not file your accounts with Companies House by the [deadline](#).

Time after the deadline	Penalty (for private limited companies)
Up to 1 month	£150
1 to 3 months	£375
3 to 6 months	£750
More than 6 months	£1,500

Very useful URL - <https://www.gov.uk/government/publications/life-of-a-company-event-driven-filings/life-of-a-company-part-2-event-driven-filings>