

M.J. Kane & Co

*'THERE'S NO SUBSTITUTE FOR EXPERTISE'*

# Setting Up A Limited Company

# What is a limited company?

Private Limited Companies that are privately owned businesses, referred to as a Limited (LTD) Company. A Limited Company is owned by its shareholders and run by its directors. If you are opening your own Limited Company, you are both a director and shareholder, as well as its employee.

- A Limited Company is a legal entity in its own right. In other words, it has its own legal rights and obligations. That means any profits and losses belong to the company; so, the business itself can continue regardless of death, resignation or bankruptcy of any shareholders or directors.
- A Limited Company offers limited liability meaning the company (itself) is liable for its debts, with the shareholders and directors not personally liable. Their liability is limited to paying to the company what they have agreed to pay for their shares.

## ▪ Quick and simple set-up

At MJK Contractors there are 2 easy steps to getting your limited company up and running. Our specialist accountants are available to help get everything of the ground and It's hassle free!



- Step 1 – Incorporation: Here at MJK we have experts in the incorporation process of Limited Companies. After a brief telephone conversation, we could have your new limited company set up in as little as 24 hours.\*
- Step 2 – Business Bank Account. We can assist in setting up your companies' bank account. Our expertise in the area means there's no application we haven't seen. It's a quick and easy process.
- Step 3 – Tax Registration. Our dedicated operations department will ensure your company and shareholders are registered for all relevant taxation requirements.

\*Subject to all relevant information being provided and payment received

# Responsibilities

## ▪ Director responsibilities

It is the Directors' responsibility to ensure that the company meets its obligations and that it is run in accordance with The Companies Act 2006 (and re-enacted). According to this act, all Private Limited Companies must have at least one director.

Typically, you will perform this role yourself. You need to ensure that the company complies with company law, that it submits accounts correctly with full disclosure, that it makes all statutory returns, that it is adequately insured and that it meets all health and safety obligations.

Ensuring the company meets all of these obligations and complies with law, creates a degree of administration. You will be responsible for filing company accounts, arranging payment of Corporation Tax, National Insurance and PAYE obligations.

Depending upon the turnover of your business you may also have to file VAT returns. These need to be done correctly, to the required specifications by the imposed deadlines, and any tax due must be paid on time.

As a shareholder you own the company and have a responsibility to file an annual tax return.

## ▪ Financial responsibilities

All Limited Companies are obliged to submit accurate and truly representative accounts of the company's financial position. These accounts need to be filed and reported to both Companies House and HMRC before the passing of your statutory deadline date (this can be found on Companies House).

A corporation tax return (and VAT return, if applicable) must be filed with the HMRC and any tax liabilities that are due must be paid by the imposed deadlines. It is also the directors' responsibility to ensure the company stays solvent and is able to meet its financial obligations. This includes the payment of any suppliers, staff and compliance with all tax and National Insurance rules.

## ▪ Legal responsibilities

The confirmation statement must also be sent to Companies House each year, generally on each anniversary of the company date of registration. This is to ensure all details relating to the company, directors and shareholders are accurate and up to date.

There is also a requirement to hold a register of People with Significant Control in your company at Companies House. This information is normally submitted as part of the annual Confirmation Statement. You are obliged to provide details of individuals who own more than 25% of shares and voting rights in your company.

MJK Contractors can handle all these responsibilities for you, contact us on 02893350290 or email, [contractors@mjkane.co.uk](mailto:contractors@mjkane.co.uk)

## ■ What next?

Your Limited Company is now registered, you have your Certificate of Incorporation and you are the director and shareholder of your own business.

The most important next step is to find yourself an accountant. Our role at MJK Contractors is to remove the burden of being your own accountant. We allow you to focus on what you do best by handling what we do best.

At MJK we will ensure the following Limited Company responsibilities are completed to the highest standard:

