

SETTING UP A LIMITED COMPANY IN THE UK

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Why Set Up a Limited Company in the UK

Ireland continues to have a longstanding and ongoing business relationship with the UK.

Additionally with a market of close to £70m on it's doorstep, and irrespective of it's own relationship with the EU, there are potentially fantastic opportunities by setting up in the UK itself.

For Irish based business owners, who have existing customers in the United Kingdom and may want to expand their businesses , establishing a subsidiary limited company in the UK offers several advantages, including the following:

■ **Access to a Larger Market:**

The UK remains one of the largest economies in the world. It offers Irish businesses an opportunity to reach a bigger customer base and achieve further growth.

■ **Proximity and Common Language:**

The UK is geographically close to Ireland, making logistics, communication, and management more seamless. With English being a common language, there are much reduced barriers in documentation and operations.

■ **Strategic Expansion:**

Establishing a UK presence can help diversify markets and reduce dependency on the Irish economy alone.

■ **Access to Free Trade Agreements:**

Following Brexit, the UK has established trade agreements that might benefit businesses targeting specific international market - not reached by the EU!

■ **Brand Credibility:**

A UK-based company can bolster trust and credibility with UK customers and partners.

■ **Strong Financial Ecosystem:**

The UK offers a developed financial system, with access to funding, (some local) grants, and supportive banking services.

■ **Ease of Doing Business:**

The UK ranks high on the World Bank's ease of doing business index, underpinned by a robust legal system and pro-business policies, most of which remain similar to those already familiar to Irish businesses

What are the Key Steps to Setting Up in the UK?

Setting up in the UK is straightforward for Irish businesses for a number of reasons, with a fairly simplified Incorporation Process (the UK's Companies House offers a streamlined process for company formation, which can be completed entirely online), and there is (currently) no need for physical presence (directors and shareholders can be based outside the UK, making remote management feasible)

Therefore in this guide we have tried to provide as much information for business owners to understand what is involved with setting up a presence in the UK, and what you can expect in terms of ongoing compliance and 'red tape'

- 1 Incorporating a UK limited company
- 2 Annual Statutory Obligations
- 3 Key Tax Obligations
- 4 Grants and government financial supports
- 5 Other business issues



Should you have any further queries or questions, then please ask!

Damian Connolly FCCA
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INCORPORATING A UK LIMITED COMPANY

General

When planning on establishing a presence in the UK, it is important to choose the right trading structure for your business activities. Generally this will mean the incorporation of a wholly new UK limited company, however an alternative may be to establish a local 'branch' of an existing Irish business in UK (however we will only cover a new limited company in this guide).

As always it should be noted that a company is a legal form of business organisation. It is a separate legal entity and, therefore, is separate and distinct from those who run it.

1. Incorporating a UK Limited Company

Issues to Consider (Pre Incorporation)

Company Name

Ensure that the name selected is unique and complies with the UK naming regulations e.g. using regulated names, royal names etc. You can check the availability of company names online or with an incorporation agent.

Registered Office Address

This must be a UK address where official correspondence can be sent to. It can be a residential address, a commercial address, or at a serviced office address.

However, new rules around what can be used as a registered address for the company now include a ban on PO box addresses.

Additionally, it must be an 'appropriate address' at all times, which means any documents sent to the registered office should be expected to come to the attention of a person acting on behalf of the company, and can be recorded by an acknowledgement of delivery.

Remember though that this is the address that all HMRC and Companies House correspondence will be sent to, and this address appears in the public record at Companies House for anyone to view!

Directors and Shareholders

A minimum of only one director is required on a limited company, who does NOT need to be UK resident.

Shareholders can be individuals or other limited company entities.

Company Secretary

There are no requirements to have a company secretary for a limited company.

Persons of Significant Control (PSCs)

PSC's are essentially the individual(s) who own or control the limited company, and are also referred to as 'beneficial owners'. They are typically the shareholders, however there can be occasions where the shareholders are other UK or foreign limited companies or debt holders who have significant influence over the company without any shareholding etc.

Therefore the Companies House Register of PSC's is aimed at clarifying these grey areas, by confirming who the 'beneficial owners' of the company are, based on shares, voting rights and ability to remove or appoint directors.

Incorporating a UK Limited Company

Issues to Consider (Pre Incorporation)

The requirement is to identify who the PSCs are where they hold:

- more than 25% of shares in the company
- more than 25% of voting rights in the company and/or
- the right to appoint or remove the majority of the board of directors

If you are NOT able to identify who the individual PSCs are then you must also state this fact!

Any changes or updates to the PSC information for a company e.g. change of personal details or nature of control, must be notified to Companies House within 14 days.

ID Requirements

Under the recent ECCTA 2023 legislation each director, company secretary (where applicable) and shareholders and/or PSC's are now required to verify their identity. This can be actioned via an ACSP (which is an accountant, lawyer etc.) or directly with Companies House.

Please note that 'unverified' individuals are NOT allowed to act on behalf of a limited company unless and until they are verified, and it is at the point of the annual confirmation statement that the verification of relevant individuals will be checked and confirmed.

The details required as part of the verification process includes a copy of a passport, drivers licence etc., as well as a valid email address, residential address and address history for the last 12 months.

Share Capital

There are no specific requirements around authorised or issued share capital, however 100 ordinary shares of £1.00 each are a typical share capital.

Registered Email Address -

All limited companies also need to provide Companies House with a specific email address that will be responded to at all times.

Company Activities for legal purposes

Each annual confirmation statement will require the company directors to formally confirm that the limited company has been established for legal purposes i.e. in future any Companies house documents lacking a statement of legal purposes will NOT be accepted.

Residency Requirements

There are no specific residency requirements in respect of Companies House, although the tax residency of the company may be an issue for HMRC, in respect of where the Corporation taxes on the company need to be paid e.g. if all the management and control of the company is outside the UK.

Incorporating a UK Limited Company

Incorporation Process

When you are incorporating a UK limited company, as with the Companies Registration Office (CRO) in Ireland, you can go directly to Companies House and commence the process using your own forms etc.; however, the more efficient and simpler way is to use a formations agent (or accountant) in most instances.

In the UK, it is possible to prepare and submit ALL of your incorporation documents online to Companies House AND have a limited company within 24 hours!

- 1 To commence the process, you will generally need to speak to your Company Formations Agent or Accountant and check your proposed company names (select 3 names)
- 2 Once you have checked the options for company names and confirmed that the name is available, then you can complete all of the registration information
- 3 Choose directors and company secretary
- 4 Consider any variations from the standard Memorandum of Association (confirms the intention to form a company) and/or the Articles of Association (the rules for running the company).
- 5 Decide and confirm shareholders
- 6 Submit the completed forms for registration (directly or via your incorporation agent) i.e. Form IN01

Typically within 24 hours you will receive a copy of the Certificate of Incorporation, then subsequently a copy of the Memorandum and Articles of Association, First minutes etc
- 7 Provide your ID documentation and Information to complete the incorporation process.
- 8 Check that you have completed an accurate Person of Significant Control (PSC) registration with Companies House as this is a key (and increasingly important) issue.
- 9 Setup a Government Gateway registration with HMRC, which will provide you with access to HMRCs Online services for access to taxes via their online features
- 10 A Unique Taxpayer Reference (UTR) will be provided within 7 to 10 days of the incorporation of any new limited company at Companies House.
- 11 Then use the HMRC Online services to register for any of the taxes that you will require for the limited company e.g. payroll, VAT, CIS etc
- 12 Open a UK Business Bank Account

2. ANNUAL STATUTORY OBLIGATIONS

Companies House

Following the implementation of the ECCTA 2023, there are changes and improvements around compliance and accuracy of data at Companies House are being introduced throughout 2025 and 2026 – and will impact the incorporation process (see above) and the annual statutory requirements over time!

These changes signify a move towards a more robust regulatory framework, helping to promote trust and stability within the UK's corporate landscape.

These include stricter identity verification for company directors and PSCs, improved data-sharing mechanisms across regulatory bodies, and streamlined digital filing processes.

The changes reflect a broader effort to align the UK's corporate governance standards with evolving international best practices.

- Introduction of mandatory identity verification for all new company directors, PSCs, and individuals registering with Companies House. This ensures that all persons listed in official records are accurately identified.
- Enhanced requirements for submitting accurate and verifiable information, with stricter penalties for non-compliance.
- Launch of a new digital platform by Companies House to facilitate real-time updates for company filings, including the ability to instantly report changes in directors, PSCs, or other key company details.
- Introduction of a new filing requirement for an Annual Confirmation Statement, summarising how the company adheres to anti-money laundering standards.
- Companies will be required to provide detailed beneficial ownership data, including the sources of funding for any significant financial transactions.
- New obligations for dormant companies to file simplified accounts annually, ensuring their continued compliance and legitimacy.
- Failure to file on time can result in financial penalties and legal action, including the possibility of the company being struck off the register.

Annual Statutory Obligations

Annual Confirmation Statement (CS01):

This must be filed annually to confirm the company's up to date details (e.g., directors, shareholders, registered address) on the public record..

The submission is required to made to companies house online.

Filing late can result in financial penalties and could lead to the company being flagged for non-compliance by Companies House.

Persistent delays might result in restrictions on company operations or even the company being struck off the register.

The filing fee for the annual confirmation statement is now £36.

Annual Statutory Accounts:

All companies are required to submit annual financial statements within nine months of the end of the company's financial year-end (e.g 31st December the filing date is the following 30th September).

For larger companies:

The financial statements should include a balance sheet, profit and loss account, and relevant explanatory notes, which provide a clear overview of the company's financial health and compliance.

For smaller (or micro companies):

The financial statements should include a balance sheet and relevant notes.

Non-compliance with these requirements may lead to significant fines are £750 increasing to £1,000 and beyond and may impact the company's trading reputation, credit rating or be struck off the registrar.

Persons of Significant Control (PSC's):

The PSC requirements were introduced to increase transparency about who owns and controls companies in the UK. This helps combat money laundering, tax evasion, and other forms of financial crime.

The PSC Register maintains an up-to-date register of individuals or entities with significant control (owning more than 25% of shares or voting rights). The register should include details such as the PSC's name, date of birth, nationality, and nature of control over the company.

There is a requirement to report any changes to Companies House promptly. This ensures the public record remains accurate and up-to-date.

There are a number of consequences of non - compliance with the requirement to file the PSC information, which can result in criminal charges for the company and its officers, with potential fines and imprisonment, and companies that fail to comply may also face reputational damage, as their non-compliance is visible on the Companies House register.

3. KEY TAX OBLIGATIONS

HMRC – Corporation Tax

HM Revenue & Customs (HMRC) is the UK's tax authority, responsible for collecting taxes, administering tax credits and ensuring compliance with local tax laws and regulations.

A company is deemed to be tax resident in the UK where it has been incorporated there, and is also managed and controlled within the United Kingdom.

However, a registration for UK Corporation tax is automatically actioned following the incorporation of a new limited company at Companies House, with other taxes such as VAT and payroll being registered separately, as and when required.

A Corporation tax reference number will be issued approximately 10 days following incorporation to the registered office address.

At that point, a Government gateway number can be obtained, which provides access to HMRC's online services – from registering for taxes such as PAYE or VAT, checking payments made to HMRC etc.

Once the company has been setup with a Government gateway number and has access to HMRC's online services, access can then be provided to your UK accountants – which allows them to action the submission of payroll information, quarterly VAT returns, Corporation tax returns etc directly to HMRC on your behalf.

A Corporation tax return (CT600), providing detailed information about the company's income, expenses and taxable profits etc., is required to be submitted to HMRC annually.

The filing deadline for this return is 12 months after the end of the financial year of the company, while any payments are due and payable 9 months and 1 day after the end of the financial year.

The current Corporation tax rate is 25% for profits over £50,000 (on a tapered basis), with all profits below this amount taxed at 19%.

Advance corporation tax payments are required for larger companies, but only where profits are in excess of £1.5m.

The late filing of Corporation tax returns or late payment of tax liabilities can result in penalties and/or interest, starting with an automatic £100 fine for late submission of tax returns.

Key Tax Obligations

HMRC - Individual Taxes

Payroll, Employees, and Employers

Limited companies may need to set up a payroll scheme to pay salaries to employees or directors, ensuring compliance with UK tax and employment laws. This also facilitates the deduction and reporting of income tax and National Insurance contributions (NICs).

The main costs for Employers are National Insurance Contributions (NICs), which are currently 13.8% on earnings above £9,100 per year (as of 2025).

There is also an Apprenticeship Levy which only applies to companies with a payroll exceeding £3 million annually, e.g 0.5% of their total payroll.

Once the registration for payroll has been completed with HMRC, then only approved payroll software that complies with HMRC's Real-Time Information (RTI) requirements, can be used by an employer.

Employees are required to have employment contract, receive payslips and that salaries are paid on time.

HMRC require the submission of Real-Time Information (RTI) returns to HMRC each pay period, reporting details of payments made to employees, deductions of PAYE and NIC's etc.

Failure to register for PAYE or submit RTI returns on time can result in penalties from HMRC.

Additionally, non-compliance with the separate pension auto-enrolment obligations may lead to fines and legal action. (See below)

Benefit in Kind - BIK

Where payments are made to or on behalf of employees by an employer - outside of payroll then these need to be reported as benefit in kind to HMRC. This can be done through payroll or annually on a P11D return, which allows these amounts to be taxed on the employees and employer NIC's be paid by the employer.

Auto Enrolment Pensions (Employers and Employees)

Under auto-enrolment, employers must offer and contribute at least 3% of an employee's qualifying earnings into a workplace pension.

Pension auto-enrolment applies to employees aged 22 or older who earn more than £10,000 annually, who then require to be auto-enrolled into a pension scheme.

Key Tax Obligations

HMRC – Other Taxes

VAT

The VAT registration threshold in the UK is now at £90,000 i.e. once a business turnover exceeds £90,000 or on a rolling 12 months basis then it is required to register for VAT purposes.

As well, there is the opportunity to register for VAT voluntarily where this is more useful.

In the UK, HMRC operates quarterly VAT periods (whereas Ireland operates a bi-monthly period), and additionally the UK does NOT operate an end of year reconciliation by VAT registered businesses e.g. NO RTD required!

However, in the UK ALL VAT returns are required to be submitted to HMRC via your accountancy software e.g. via Xero, Quickbooks etc. This means that VAT returns CANNOT be submitted in any other way by a limited company or VAT registered business (part of the Making Tax Digital (MTD) process)

The VAT rates in the UK are as follows



Dividend Withholding Taxes

There are no withholding taxes on dividends issued by a limited company to its shareholders (unlike in Ireland)

TAX Clearance Certificate (TCC)

There are no TCC's for UK Businesses.

4. Grants and Government Financial Supports

Unlike in Ireland business grant opportunities are much more limited in the UK, and where they are available, these tend to be local in nature, time restricted and subject to review for meeting specific conditions.

Potentially look at initiatives like Innovate UK, Local Enterprise Partnerships (LEPs), and regional development funds.

5. Other Business Issues

Company Bank Accounts

There is no requirement to have a UK bank account for a trading UK limited company, however it is advisable.

As in Ireland there are the more traditional banks, including Barclays, NatWest, Lloyds, HSBC and Santander, while there are also a number of 'challenger' banks that are generally online based (but not always) e.g. Metrobank, Monzo, Revolut, TIDE, Starling etc.

The more traditional banks will have branches across the UK and also offer a full suite of banking services, but to open a bank account will take much longer i.e. a face to face meeting is required (with 30 days backlogs) ahead of the various documents being completed and submitted.

The 'challenger' banks will typically enable documentation to be completed online and therefore much more quickly, but the services available are likely to be more limited e.g. mobile only online access, no credit cards etc

Business Insurances

As in Ireland, there are a number of business insurances that are mandatory for specific service types and where there are employees, offices/retail locations etc. e.g. Professional indemnity, employer/public liability insurances.

However there are other insurances that are advisable to have in place, even if not mandatory for certain companies e.g. specific business cover, cyber risk insurances, D&OE insurances etc.

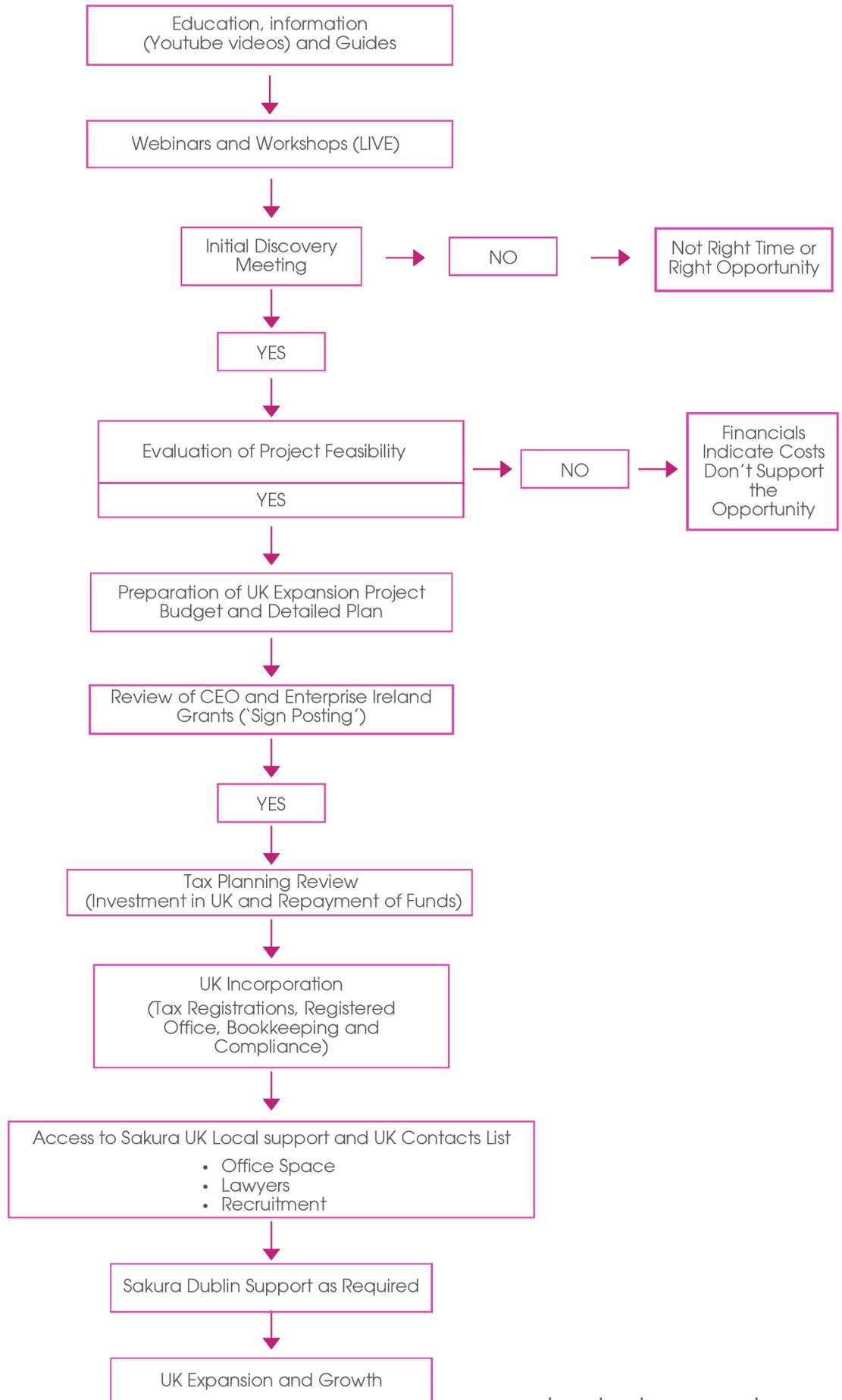
FX Exposure (for Irish Shareholders of UK Limited Companies)

There will be (initially at least) some Currency Risk with a UK limited company.

Fluctuations between GBP and EUR can affect dividends, inter-company transfers, and profitability.

Always engage with FX specialists or financial advisors to manage risks effectively.

THE UK EXPANSION PROGRAMME



UK COMPANY INCORPORATION

PROCESS

Select Company Name and
Check Availability

Confirm Directors and Shareholders

Check for any Amendments to Standard
Memorandum and Articles of Association

Use Incorporation agent and submit
Incorporation Information

Provide Relevant ID Documentation

Confirm PSC Register Updated Correctly

Obtain Certificate of Incorporation
from Companies House

Register for HMRC's Government Gateway

Obtain Unique Corporation Tax
Reference number from HMRC

Register for any other UK Taxes

Open UK Bank Account



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