



## A Rough Guide to becoming a Charitable Company Limited by Guarantee

### If the organisation is not yet a charity

1. Agree draft Memorandum of Association and Articles of Association.  
If you want to use a “sensitive” word in the new company name eg ‘Charity’, ‘Fund’, ‘British’, check the proposed name with the Companies House list first to see how you can get permission to use it. (Details of words considered “sensitive” are on the Companies House website - [www.companieshouse.gov](http://www.companieshouse.gov).)
2. Provide a copy of “CC3 - The Essential Trustee: what you need to know” to each member of the Board of Trustees (available from the Charity Commission - [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk) )
3. Sign the Memorandum and Articles (at least 3 people, usually the first trustees, and witnessed by an independent person).  
Minute the signing of the Memorandum and Articles.

### Register with Companies House:

A helpful guidance booklet can be downloaded from [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk). Currently (February 2011), you can incorporate online only if you do it through an agent with the relevant software (a list of these is online or available from Companies House).

4. Fill in Companies House Form IN01 “Application to register a company” (obtained online or from Companies House (details at end)
5. Send the form and the adopted signed original Memorandum of Association and Articles of Association to Companies House with a £20 cheque or postal order. The signed original will be kept on file at Companies House, so **make sure that you take a copy of the adopted signed version** before you send it off.

#### Checklist:

- Form IN01
  - Memorandum of Association and Articles of Association, adopted and signed
  - £20 cheque or postal order
6. You will receive the “Certificate of Incorporation” from Companies House with the company number.

### Register with the Charity Commission

Applications to register a new charity are made online at [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk). You will need an email address so that you can be provided with a password. There are guidance notes online to help you through the process, and your online application will be dealt with more quickly than a paper form. If you are unable to apply online, contact them by phone or post (details at end). The Commission does not charge a fee for either method of application.

7. Fill in the Charity Commission’s Form CC5a online to register the new charitable company as a charity.



8. Once you have submitted your online application you will receive a confirmation email, which includes a form (CC5c) which all the trustees must sign. Send this back to the Charity Commission, together with some evidence to show your annual income exceeds £5,000 (eg bank statement, annual accounts), a copy of the Certificate of Incorporation from Companies House and a copy (not the original) of the Memorandum of Association and Articles of Association.
  9. You will receive a copy of the official entry on the Register of Charities and a charity number.
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### **If the organisation is already a charity**

1. Check that your governing document allows the charity to be dissolved/wound-up. If so, agree a draft Memorandum of Association and Articles of Association. If not, contact the Charity Commission before going any further.  
If you want to use a “sensitive” word in the new company name eg ‘Charity’, ‘Fund’, ‘British’, check the proposed name with the Companies House list first to see how you can get permission to use it. (Details of words considered “sensitive” are on the Companies House website - [www.companieshouse.gov](http://www.companieshouse.gov).)
2. Sign the Memorandum and Articles (at least 3 people, usually the first trustees, and witnessed by an independent person).  
Minute the signing of the Memorandum and Articles.

### **Register with Companies House as follows:**

A helpful guidance booklet can be downloaded from [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) Currently (February 2011), you can incorporate online only if you do it through an agent with the relevant software (a list of these is online or available from Companies House).

3. Fill in Companies House Form IN01 “Application to register a company” (obtained online or from Companies House (details at end))
4. Send the form and the adopted signed original Memorandum of Association and Articles of Association to Companies House with a £20 cheque or postal order. The signed original will be kept on file at Companies House, so **make sure that you take a copy of the adopted signed version** before you send it off.

#### **Checklist:**

- Form IN01
  - Memorandum of Association and Articles of Association, adopted and signed
  - £20 cheque or postal order
5. You will receive the “Certificate of Incorporation” from Companies House with the company number.

### **Register with the Charity Commission**

Applications to register a new charity are made online at [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk). You will need an email address so that you can be provided with a password. There are guidance



notes online to help you through the process, and your online application will be dealt with more quickly than a paper form. If you are unable to apply online, contact them by phone or post (details at end). The Commission does not charge a fee for either method of application.

6. Fill in the Charity Commission's Form CC5a online to register the new charitable company as a charity.
7. Once you have submitted your online application you will receive a confirmation email, which includes a form (CC5c) which all the trustees must sign  
Send this back to the Charity Commission, together with some evidence to show your annual income exceeds £5,000 (eg bank statement, annual accounts), a copy of the Certificate of Incorporation from Companies House and a copy (not the original) of the Memorandum of Association and Articles of Association.
8. You will receive a copy of the official entry on the Register of Charities and a charity number.

### Next steps

9. Organise the dissolution meeting of the old charity and the inaugural meeting of the new charity (making sure you give the correct notice period as stated in your governing document).
10. Send out an explanatory letter, plus application forms for membership of the new company, and nomination forms for election to the new Board of Trustees.  
Draft the Agendas for each meeting.
11. Hold the dissolution and inaugural meetings.

*a) Approval of dissolution of old charity:*

Approve motions to carry out the following at a suitable date or dates to be determined later by the Board of Trustees:

- to dissolve the old charity
- to transfer the assets to the new charitable company
- to do final accounts showing a nil balance

*b) Inauguration of new charity:*

Approve motions to:

- adopt the Memorandum of Association and Articles of Association.
- appoint the independent examiner/auditor of the accounts
- approve the initial list of members
- accept transfer of responsibilities from the old charity, including contracts of employment
- elect the new Board of Trustees

**NB:** You will be running two charities side by side until the Charity Commission has accepted the dissolution of the original charity. When setting dates, allow plenty of time to close down, transfer or open up accounts, contracts etc and to notify all the organisations with whom you do business, including funders.

12. For each member of the Board of Trustees not included on the IN01 "Application to register a company" when the company was formed (see Clause 3 above), fill in Form AP01 to register them as a Director of the new company. (If necessary, also complete Form TM01



for those first directors not wishing to continue to hold a directorship). These can be done online.

13. Prepare final accounts for the old charity showing a nil balance and send these to the Charity Commission with the minutes of the dissolution meeting.
14. Prepare deed of transfer if necessary, transferring the assets and liabilities of the old organisation to the new one.

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## In later years....

1. Pay Annual Return fee of £15 online (or £30 by post) to Companies House.
2. For charitable companies with an annual income over £25,000, pay £900 - £2400 for independent examination fees or £1800 upwards for audit fees (including 20% VAT)
3. Send Annual Return, audited Accounts and Trustees Report to the Charity Commission.

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### Contacting Companies House

You can obtain or submit Companies House forms online or by post

**Online:** [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**E-mail** [enquiries@companies-house.gov.uk](mailto:enquiries@companies-house.gov.uk)

**Phone:** 0303 1234 500 Lines are open 08:30 - 18:00 UK time Monday to Friday, except national holidays. Minicom 029 2038 1245.

**Write:**

Companies House  
Crown Way  
Maindy  
Cardiff CF14 3UZ

### Contacting the Charity Commission

**Online:** [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

If you are unable to use the online process, or you have any queries,

**Phone:** 0845 300 0218, Lines are open from 08:00 to 18:00, Monday to Friday, except national holidays. Minicom 0845 300 0219

**Write:** The Commission asks you if at all possible not to write to them, but to email instead. They say it will take you on average four times longer to receive a response from them to a letter than to an email, but if you are unable to use email, you can address postal correspondence to:

Charity Commission Direct

PO Box 1227

Liverpool  
L69 3UG