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Checklist for Forming a Charitable Company Limited By Guarantee ("CCLBG")

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| Preliminary issues | <p>Before taking a Charitable Company Limited By Guarantee ("CCLBG"), you should consider whether it will be appropriate for your charity or instead fulfil your charitable aims in some other way. You might wish to see the subject with a note on the subject which you might also find useful. You might also find it helpful to access here and here to see what makes an organisation a charity which you can access.</p> | | | |
| Name – Charity Law | <p>What is the Charity Law? There are certain restrictions on the choice of the name of a CCLBG can be used.</p> <p>The CCLBG's name must not be the same as, or similar to, the working name of another charity or words it does not use (e.g. famous names, religious names, acronyms, or words suggesting it might infringe another trade mark).</p> | | | |

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| | <p>famous or co a piece of mu King, Windso</p> <p>The words ‘c be part of a C approval from</p> <p>You can open name (“worki name. The w under which t carried out. A working name (official) nam</p> <p>Will the CCLB to its register</p> <p>A working na , ‘limited liabil company’ or , ‘sensitive’ wo permission. It similar to an o (official) or w</p> <p>The other res apply to use o</p> | <p>a book or ords (e.g.</p> <p>itable’ can prior n.</p> <p>different ed (official) ame y are o have a red</p> <p>king name”</p> <p>ted’, ‘Ltd’, olic limited tain a you get s or too ed</p> <p>es also</p> | | |
| Name – Company Law | The register a as the CA 20 | d as well hibitions | | |

¹ CH = Companies House.

² CA 2006 = Companies Act 2006

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| | <p>on use of name cannot be the same as CCLBG's name or any other name or trademark of someone making a claim.</p> <p>If the CCLBG (or CCLBG's (or trademark of someone making a claim) CH has some CCLBG (and (official) name constitutes "s can be accessed</p> <p>Note that as of the Economic Crime & Corporate Transparency (ECCTA) broadens the (company) name provisions on names intended to be dishonest or (non-existent government of computer code has new powers including the and to remove name and register company fails</p> | <p>cannot CCLBG's</p> <p>er me or if</p> <p>osing ered what mes. This</p> <p>omic Crime ECCTA) and other provisions on e of esting a n containing panies es, in name company's) G or other irection.</p> | | |
| <p>Use of names on charity documents and other</p> | <p>There are restrictions on charities may in the normal</p> | <p>nd and other documents activities.</p> | | |

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| formalities for charity documents | There is a Simply-Docs guide on this subject which can be accessed here . | | | |
| Intended (charitable) activities | <p>What is the CCLBG's proposed activity?</p> <p>Are there any licences, regulations, etc. that need to be satisfied in advance of the proposed CCLBG?</p> <p>Is the CCLBG being formed for a charitable purpose?</p> <p>Note that as of March 2024, the Companies Act requires that subscribers confirm that the CCLBG being formed for a lawful purpose. Subscribers also need to complete a confirmation statement submitted to Companies House. CCLBG's intended future activities should be stated (You can access a form of confirmation statement here.)</p> <p>Incorporation documents (articles of association and confirmation statements) will be submitted to Companies House. These statements have not been submitted to Companies House.</p> <p>CH can act against CCLBGs (and other companies) not formed and operated for a lawful purpose.</p> | | | |
| Registered Office | A CCLBG must have a registered office. Consider where may be the most appropriate place for notices and correspondence. Should it be the CCLBG's principal office? | | | |

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| | <p>residential a (trustees) or office? Accou likely charge</p> <p>Note that as o that CCLBGs and mainta “appropriate a</p> <p>An appropri documents se expected to acting on be document se by an acknow</p> <p>PO Boxes ca address and being used.</p> <p>CCLBGs with be struck off to change a address held 28 days to proceedings.</p> | <p>directors solicitor’s more than</p> <p>A requires must have e at an</p> <p>where any e would be of a person d that any e recorded</p> <p>ered office d if one is</p> <p>ress” may the power a default LBG within strike off</p> | | |
| <p>Registered Email Address</p> | <p>From March companies) “appropriate m</p> <p>New CCLBG provide this c</p> | <p>and other maintain an .</p> <p>(ies) must g CCLBGs</p> | | |

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| | (and other c they file their The email add register. | this when the public | | |
| Company Secretary | <p>Whilst there is a CCLBG (or other company secretary, it must be a person appointed by the charity's administrators.</p> <p>A company secretary is not an auditor or an administrator.</p> <p>If a CCLBG (or other company secretary) is considered to be a company secretary will be responsible for example filing returns and keeping records of board meetings and resolutions. The responsibilities of the CCLBG's secretary fall to the trustees. Even if the CCLBG has a secretary, the directors are responsible for the CCLBG's affairs.</p> <p>If a company secretary is appointed, has the authority of the CCLBG (including name and service address).</p> <p>A company secretary must have a unique ID verified by the CCLBG.</p> | <p>not for a company secretary dedicated to the charity's affairs.</p> <p>CCLBG's secretary is not an auditor or an administrator.</p> <p>not have a secretary or an administrator.</p> <p>ordinarily secretary will be responsible for example filing returns and keeping records of board meetings and resolutions. The responsibilities of the CCLBG's secretary fall to the trustees. Even if the CCLBG has a secretary, the directors are responsible for the CCLBG's affairs.</p> <p>ted, has the authority of the CCLBG (including name and service address).</p> <p>be identity verified by the CCLBG.</p> | | |

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| | <p>individual who their own beh need to have secretary is li CH on behalf (i.e. trustees) be ID verified</p> <p>As yet, ID ver force under th</p> | <p>CH on er will mpany uments to ectors quired to</p> <p>bought into</p> | | |
| <p>Directors (i.e. the CCLBG trustees)</p> | <p>All of the dire individuals as</p> <p>Who will be th trustees)? A c disqualified fr</p> <p>Have they co trustees and duties, both u and any othe (e.g. health a</p> <p>Have they all eligibility regis to the Charity the CCLBG a accessed her</p> <p>Have they all persons (trus keep (and wh The form can</p> | <p>same es.</p> <p>s (i.e. er and not</p> <p>rs and atutory hariry law ations</p> <p>laration of submit it registered n be</p> <p>er you to HMRC?)</p> | | |

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| | <p>Has the CCLBG got all the relevant details of its first directors (trustees), including full name (and former names), service and residential address, DOB, nationality, country of residence, occupation?</p> <p>Once the ECCTA is fully in force, a person will not be able to be appointed as a director (trustee) until they have been ID verified. This means that it will not be possible to incorporate a CCLBG before the proposed officers have verified their ID and confirmed that they are not disqualified under directors' disqualification legislation.</p> <p>Consider internally gathering relevant documents in advance of this provision coming into force as existing directors (trustees) will also need to be ID verified to continue to act.</p> <p>An individual must not be appointed as a director/trustee if, according to the relevant rules under charity law, they are disqualified from acting as a trustee. It is a criminal offence to continue to act as a trustee/director of a charity after being disqualified.</p> | | |
| People with Significant Control (PSCs) | <p>PSC information to be included when a CCLBG (or other company) is incorporated.</p> <p>Who are the PSCs of the CCLBG and what level of control do they have? Is their level of control such that they are registrable? For example, anyone with more than 25% of the voting rights</p> | | |

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| | <p>or anyone with actual control over the guidance note (here).</p> <p>There will be identity of the verified on incorporation can be completed CCLBG or with individual PSCs</p> <p>Non-compliance PSC or, where relevant office flagged as 'unfit' continued non-compliance criminal offence a fine</p> <p>As with direct incorporate a PSCs are disqualified</p> | <p>who or docs accessed</p> <p>the has been verification of the for an</p> <p>s of the entity, the being house and a position of</p> <p>e to posed ors'</p> | | |
| Subscribers | <p>Who will be the formation?</p> <p>The ECCTA subscribers of must be included incorporation</p> | <p>LBG on</p> <p>es of the (pany)</p> | | |

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| | As with direct (or other company) who are disqualified under legislation | it will not be possible to register at CH. They must register. | | |
| Register of Members | <p>Under the EC... companies can register at CH. They must register.</p> <p>The following are included:</p> <ul style="list-style-type: none"> • in relation to (foreign) address • the date of registration <p>Members must provide information to that register of members information, in months. CCLBGs may require members to provide information or making a false statement is an offence.</p> | <p>...to their register at CH. They must register.</p> <p>...included:</p> <p>...ame service</p> <p>...was</p> <p>...the to that months.</p> <p>...s</p> <p>...e information or</p> <p>...ninal</p> | | |
| Statutory Registers | Under the EC... (and other companies) directors, a register of directors, a register of members | ...for CCLBGs register of members | | |

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| | <p>addresses, and all PSCs will be provided to CH. Instead, all the information must be provided to CH so there will be no need to provide information to other companies to CH.</p> <p>This is a significant change where CCLBGs can elect to keep their PSCs private or keep private. CCLBGs (and other companies) can continue to maintain their PSCs however only those who wish to do so.</p> | <p>a register</p> <p>will need to be provided to CH so that other companies can promptly register with CH.</p> <p>A 2006 (or later) could be used as a register.</p> <p>wish to do so. This will be for other purposes.</p> | | |
| Memorandum of Association | <p>Under the CA 2006, a CCLBG is incorporated as a company. However, the full forename and address must be included in the memorandum of association. You can use the template memorandum of association here.</p> | <p>of a company is merely an association. The full name of the subscriber must be included in the memorandum of association.</p> | | |
| Articles of Association | <p>All registered companies must have a set of articles of association. The CCLBG can choose to adopt the model articles or produce its own.</p> | <p>companies) must have a set of articles of association. The CCLBG can choose to adopt the model articles or produce its own.</p> | | |

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| | <p>the Charity Commission or whether it will draft bespoke articles such as the Simply Docs articles for a CCLBG which can be accessed here. (If the articles do not exclude or amend the model articles provided by the Companies Act 2006, those articles will apply by default.)</p> | | |
| <p>Incorporation method and fee</p> | <p>CCLBGs may be incorporated by paper or web incorporation. Note that the ECCTA is moving to complete digital filings.</p> <p>CCLBGs may opt for same day or standard incorporation.</p> <p>CCLBGs may be incorporated from scratch; however, a charity may want to consider buying (from a legal stationer) a “shelf” CCLBG company that has already been incorporated. If a shelf company is purchased, the details of the CCLBG officers and constitution will need to be amended.</p> <p>The fee for incorporation will depend on which incorporation service is chosen.</p> <p>The introduction of the ECCTA may well change some of the incorporation processes and fees, particularly once the identity verification provisions are in force. For those considering purchasing a shelf company to use as CCLBG, your chosen provider will likely advise of these changes.</p> <p>As the Registrar’s powers have been greatly increased under the ECCTA, they will also need</p> | | |

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| | to increase fees and their income. Registrar, the intelligence and tackle economic will be factors fees, which will Fees will be s | the changes the ative, t will help ndering annual | | |
| Registration with Charity Commission | All CCLBG ch above £5,000 with the Char | come register | | |
| Premises | What premises Will this be the registered off Will the CCLB | from? CCLBG's lease? | | |
| Charity's (CCLBG's) assets | What other as used by the o as well as off computers. | will be IP rights and | | |
| Debt | How will the C Is it proposed If so, will this assets? You might wis Simply-Docs | debt? CCLBG's the sory | | |

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| | Notes in con These are ac | CCLBG. | | |
| Accounts Auditors/Accountants – Charity Law | <p>The following requirements apply to CCLBGs under the Charity Commission (Accounts) Regulations 2008. CCLBGs must have their accounts audited by a Chartered Accountant (CA) or a Chartered Accountant in Public Practice (CIPFA) if the CCLBG is a relevant threshold company (with an income over £3.26m) it must be audited by a CA. Who will be the accountants?</p> | <p>ant d on the unts. Charity eeds £25k the with an ove</p> | | |
| Annual Report and Confirmation Statement – Company Law | <p>The CCLBG must comply with both company law and charity law. The CCLBG must file an annual report (previously known as an annual return) with Companies House and a confirmation statement.</p> | <p>al with ply with statement) with a form of</p> | | |
| Annual Report and Annual Return– Charity Law | <p>If the CCLBG is a relevant threshold company, it must file its annual return with Companies House.</p> | <p>ncome pa, rs Report</p> | | |

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| | with the Char comply with b The CCLBG r Charity Comr £10k p.a. or r Commission | eed to (law.) n with the income is Charity | | |