

How it works & Frequently asked questions

Do you supply 'shelf companies' ? No. All our company formation packages are for new companies formed using your details. A 'shelf company' is one where the formation agent forms the company with their details as the company director, secretary and shareholder. When you purchase one of these companies the agent will resign as the company director and secretary and transfer the shares to you. There is all perfectly legal. However stamp duty (currently £10) is payable to transfer the shares to your name. Buying a 'shelf company' is therefore more expensive, takes longer and involves signing paperwork that the formation agent will send to you.

Why is there no paperwork to sign ? Traditional 'paper based' incorporations require the signatures of the company officers to confirm that they consent to act for the company. We are able to take 3 details of personal information from the following list and supply these with the application to Companies House. The personal information forms an 'electronic equivalent' to a paper signature.

- Mother's Maiden Name
- Telephone Number
- Passport Number
- National Insurance Number
- Father's Forename
- Eye Colour
- Town of Birth

Can I choose any name for my company ? Yes, you can choose any name you like as long as it is not already registered, or too similar to an existing company name or likely to cause offence. Some words in company names are however restricted or forbidden, these are called 'sensitive words'. You should also check that your name, or part of your name has not been registered as a Trademark by somebody else.

Why do I need to worry about Registered Trademarks ? Simple, the company name 'Virgin Clothing UK Limited' is not registered and is not too similar to any other company name registered. 'Virgin' however is a protected trademark. Choosing a name like this would mean you may have to change it later which would be very costly. It is possible that your company might be sued and have to pay damages to the owner of the Trademark. We recommend that you check the register of Trademarks with the Patent Office or for a small fee we will carry out the checks for you.

What are the requirements for registering a limited company ? Every company must have at least one Director, a Company Secretary and at least one shareholder (sometimes called members). The directors are responsible for running the company. The Company Secretary must ensure that the company conforms with current legislation, for instance they are responsible for filing legal paperwork relating to the company with companies house (such as changes of director, shareholders and addresses). The shareholders are the people that actually own the company.

Can anyone be a company director ? Yes, provided that they have not been disqualified from doing so by a court anybody may act as a company director

Who should act as the company secretary ? Anybody may act as the Company Secretary of a private limited company. A person may consent to act as both the Company Secretary and be a Director of the same company (provide there are at least two people). If you wish to form a company and only have one director you can use our Company Secretarial service to act as your Company Secretary. There is a small fee for using this service in addition to fees for completing and filing documents at Companies House. Some documents also require the payment of a filing fee to Companies House.

How should I allocate shares in my company ? By law there must be at least one shareholder who subscribes to take at least one share. All our company formation packages incorporate your company with 1000 shares of £1.00 value each. It is usual practice to take the minimum number of shares required to reflect the overall percentage shareholding in a company. For example:

- a)** Mr Smith wants to own 100% of the issued shares in Company X Limited. Mr Smith would take 1 share leaving the Company with 999 un-issued shares.
- b)** Mr Smith and Miss Jones want to own 50% each of the issued shares of Company X Limited. Mr Smith will take 1 share, Miss Jones will take 1 share, leaving the company with 998 un-issued shares.
- c)** Mr Smith wants to own 80% and Miss Jones 20% of the issued shares of Company X Limited. Mr Smith will take 4 shares, Miss Jones will take 1 share, leaving the company with 995 un-issued shares.

If you require advice regarding the shareholding for your limited company please contact us.

What is the registered office ? The registered office must be an address in England and Wales, or Scotland where legal documents can be served on your company. This address is kept on the Companies House database and is available for anybody to inspect free of charge. This address must also be written on all your company correspondence such as letterheads and invoices. It is quite common to use a director's or company secretary's home address as the registered office address. The Company Warehouse offers a Registered Office address service if you wish to keep your home details separate from your company details. There is a small annual fee for this service that includes forwarding up to 10 items of statutory and legal mail each year.

What are the memorandum and articles of association ? The memorandum and articles of association are legal documents that set out:

- The Company Name;
- The Registered Office location;
- The objects of the company; and
- The internal constitution of the company.

You will probably be asked for this document when you open a bank account for your company. All our companies are incorporated using standard 'general commercial company' memorandum and articles. These are written in a way that is designed to enable your company to carry out any business activity and to minimise the administrative requirements on the company.

Does you charge more to incorporate my limited company if I order by fax or telephone? Yes. There is a £5.00 surcharge for Fax Application and £10.00 for surcharge for companies ordered over the telephone.

What is the certificate of incorporation ? This is the document that confirms that Companies House has incorporated your company name and states the date of incorporation and the company number. This should be printed on 160gm ivory card.

What is a combined company register ? It is a LEGAL REQUIREMENT in The Companies Act 1985 that states a Limited Company must keep registers of the following:

- Register of Members (shareholders)
- Register of Directors and Secretaries
- Register of Directors interests
- Register of Mortgages and Charges
- Register of Debentures
- Minutes of Directors and General Meetings
- Share Certificates

Our premier formation package includes a hard backed notebook known as 'Combined Company Register' for this purpose. When you receive your company documents you will need to complete the registration details in the register yourself.

If you want us to complete your company registers for you please add the following products to your order (note these can be added to either the Standard or Premier packages):

- Minutes of first board meeting
- Sharepack
- Director's pack.

Which package is best for me ?

- **e-formation:** Best for solicitors, accountants and clients who are able to complete their own statutory registers.
- **Standard formation:** Best for most clients seeking a cost effective formation solution. Hard copies of registration documents will often make opening a bank account easier.
- **Premier formation:** Best for clients who require a comprehensive formation package including a Combined Company Register. Non Trading formation: Best for clients who want to protect a company name but have no plans to trade the company in the near future.