

## Private company formation – how does the process work?

Incorporation of a company is the procedure by which a business or firm is registered at Companies House and becomes a legal entity separate from its owners. This process is commonly known as registration, incorporation or formation. Jordans is the UK's market leader in company formations and administration, with formation systems approved by Companies House. Contact us for help or advice on [forming a company](#) or [company administration](#).

### How does Jordans' company formation service work?

Jordans have completely automated company incorporation for private limited companies. We ask you a series of simple questions that gives us everything we need to form a private company limited by shares for you in England and Wales. When you submit your order, we immediately lodge the formation 'paperwork' electronically at the Companies Registry ("Companies House") in Cardiff. Your company is formed with your own officers in place. We do not need any signed paper forms from you - this is a fully electronic, form-free service.

### How long does it take?

Incorporation is guaranteed by Companies House within 24 hours, but, depending on the volume of formations at any one time, it usually happens within 3-4 hours.

### How will I know my order has been received?

You will receive an email from us confirming your order details. This will include your unique order number in case you need to contact us about your company.

### How will my company be delivered?

Depending on the package you choose, we'll deliver some items in PDF format by email as soon as we know your company is incorporated by Companies House. If you order non-electronic items (for example, a company seal), these are sent by courier and will arrive within 3-5 working days.

### Can I change my order?

Because we lodge your company electronically almost as soon as you confirm your order, it is not possible to make changes to it. However, it may be possible to make any changes you require after incorporation.

### What payment methods do you accept?

If you do not have a credit account with us, we accept payment by all major credit and debit cards.

### What type of company can I incorporate?

It is currently only possible to form private limited companies through forming companies, but please [contact us](#) if you would like Jordans to form a different type of company for you.

## Private limited company – understanding what's involved

### What do I need to form my company?

In order to incorporate a private limited company in the UK you will need:

- A registered address within the UK i.e. a valid postal address in England, Scotland, Wales or Northern Ireland.
- One director, who must be an individual over 16 years of age and one shareholder who may be the same person

The appointment of a company secretary is optional.

### Choosing where your company will be formed

For company formation purposes, England and Wales and Scotland and Northern Ireland are separate jurisdictions and each has its own Companies Registry. There are differences between the laws of the two jurisdictions, but the rules for company formation are the same. A company registered in England and Wales must have its registered office address in England or Wales and a Scottish company must have its registered office in Scotland. Similarly a Northern Irish company must have its registered office located in Northern Ireland.

To form a Scottish or Northern Irish company go to [www.oswalds.co.uk](http://www.oswalds.co.uk) or call the Oswalds Company Formations department on 0131 557 6966.

### Registered office

The registered office is the company's official address. This is where government bodies such as Companies House will send official correspondence and it is also where court documents must be served. So it is vital that correspondence arriving at the registered office comes to the attention of the directors very quickly. The company need not carry out any trading activity from its registered office, so it can be an accommodation address. However, the registered office address cannot be a PO Box number.

We can provide one of our addresses in Bristol or London as the registered office. We also offer [a commercial mail forwarding service](#), whereby your business correspondence will be forwarded during normal office hours, Monday to Friday.

You must notify Company House if the location of your Registered Office changes.

### Choosing a company name

The company name is very important as it can become a valuable asset in the balance sheet, so it is important to choose one that does not create any legal problems.

There are a number of regulations to consider:

- The company name must end in "Limited" or "Ltd" and that word must not appear elsewhere in the name.
- The name must not be offensive or imply criminal activity.

The name must not be the same as an existing company. The Jordans' name-checking facility allows you to check if your name is available or not. Companies House ignores some words when considering whether names are identical e.g. "Smith & Co Limited" is treated as the same as "Smith Limited". Jordans' name-checking facility allows you to check if your name is available or not, and takes these rules into account.

Companies House cannot refuse to register your company name on grounds that it is similar to that of an existing company. However, once a name is registered, another limited company can object if the name is "too like" their own. Companies House will consider the objection, and can order a company to change its name. They can also order a company to change its name if the name is different from an existing name only because it uses a symbol rather than a word - such as "@" rather than "at" or "+" rather than "plus".

If you use a name which misleads the public into believing that they are dealing with someone else, you may have a "passing off" action brought against you by the affected business. In either event, an order can be made for up to 12 months after the name is registered. You should therefore check the Companies Index for similar names before forming the company. Since there are so many variables that can affect whether one name is considered "too like" another, you must use your judgment when searching for similar names. Our name-checking facility will not alert you to existing companies that are likely to object on grounds it is too similar to their own.

Some words cannot be used in a company name without permission. These are often called "sensitive" words. Sometimes the permission of the Registrar of Companies is needed and sometimes that of a third party. Our name-checking facility will alert you if you choose a name containing a sensitive word.

Be extra careful if the name includes a symbol. If you are in any doubt about your proposed company name, or for additional guidance on choosing a company name, call us on 0117 918 1470 or [email us](#).

Once your company is incorporated, Jordans can help you to [protect a company name](#) against passing off and alert you to newly formed companies with similar names.

#### How will the company name appear on the certificate?

Companies House only issues certificates in upper case. However, you can display the name in lower case on the seal, Memorandum and Articles of Association and company stationery.

#### Company stationery

Your company's letter heading, including email and fax correspondence, must set out:

- Your company name, exactly as registered at Companies House
- The registered office address
- The jurisdiction in which the company is registered (England & Wales or Scotland)
- The company number allocated by Companies House (on your Certificate of Incorporation)
- If registered, your VAT number

If you mention any of the directors, you must mention all of them.

A company must also include its name on its order forms and on its website. Its website must also state the place of registration, registered number and registered office.

Jordans can provide a full range of company stationery, including engraved nameplates and company registers. For any further information, please call 0117 918 1208.

#### Domain Names

A domain name is your company's address on the internet. You can use your domain name for your website address ([www.mynewcompany.co.uk](http://www.mynewcompany.co.uk)) and, perhaps more importantly, for your email address. This means that instead of sending emails from what might be misconstrued as a home-based address ([eg@yahoo.co.uk](mailto:eg@yahoo.co.uk)) you can create a range of professional business email addresses unique to your company ([enquiries@mynewcompany.co.uk](mailto:enquiries@mynewcompany.co.uk), [sales@mynewcompany.co.uk](mailto:sales@mynewcompany.co.uk)).

#### Choosing your domain name

Your domain name should be short, memorable and reflect your business. By registering your domain name at the same time as you set up your company, not only can you match your domain name to that of your company but you ensure no-one else can use that name. You may even want to secure more than one domain name to further protect your business identity.

## Trade marks

A company's name can infringe a registered trade mark if it is the same as the trade mark or too similar. You may also want to check whether a company name can be registered as a trade mark.

## Articles of association

The articles of association are the provisions which regulate the affairs of the company. If the objects (business activities) of the company are to be restricted, the permitted activities will be set out in the articles. The articles also contain regulations about shares and share rights, appointment and removal of directors and the mechanics of calling and holding board and shareholders' meetings, as well as other administrative matters.

Our articles are drafted by Counsel and are designed to provide a clear, robust and flexible constitution on which to base the company's future business. If you would like assistance with any specialist drafting to tailor the articles to your company's specific needs, please contact Helen Goose on 0117 918 1322.

## Model articles explained

In the articles of association you will see references to the "Model Articles". These are the statutory model articles that apply to companies if they do not register articles on incorporation. There are different models for different types of companies – private limited by shares, private limited by guarantee and public limited companies. Our articles adopt the model articles with modifications to give the company and its officers broader powers and more guidance on certain aspects of the company's administrative affairs.

## Optional additional articles

### Transfer of shares

You need to think about what you want to happen if you or another shareholder wants to sell your shares in the future. If you want to make special provision for this you need to include a clause in your Articles of Association. Our standard articles state that shares can only be transferred if the board approves the transfer, but subject to this, shares can be transferred to any person.

### Option 1 – Pre-emption rights on share transfers

Shares are offered to the other shareholders pro rata to their current holding.

### Option 2 Unrestricted transfer to family members

Directors must register transfers of share to family members; all other transfers at directors' discretion.

### Option 3 - Unrestricted transfer to family members; pre-emption on other transfers.

Directors must register transfers to family members; all other transfers subject to pre-emption rights in favour of the other shareholders prorate to their shareholdings.

### Enhanced voting rights for directors

It is possible to reinforce the position of a director who is also a shareholder by giving him or her sufficient votes per share to block a resolution to remove him or her from office.

### Associate directors

For management purposes it may be appropriate to create a class of associate directors who are given additional status beyond that of an employee but are not members of the board.

### Chairman's casting vote

Gives a chairman who is also a shareholder a casting vote in the event of an equality of votes on any resolution at a general meeting.

If you have any further questions, please contact [our Corporate Legal Services team](#).

## Trading activity explained

Your company will be formed with unrestricted objects, meaning that the company will be able to carry out any lawful trade or business.

If you require a company with specific objects, we can help. Please contact our [formations team](#) for more information.

## The officers of the company

A private company must have at least one director. You cannot form a company with only a corporate director in office i.e. with another company acting as the only director.

## The directors

Directors are appointed to manage the company's affairs in accordance with the Articles of Association and the law. They manage the business of the company and carry responsibility if things go wrong. Directors are subject to a number of legal duties and responsibilities, for example, they must always act to promote the success of the company for the benefit of the members. In extreme cases they can be prosecuted or made personally liable for the company's debts. There are no qualification requirements for directors; however, there are some restrictions:

- A director must be over 16 years of age.
- A director must not have been disqualified by a court from acting as a company director, unless s/he is permitted to act as one for a specific company.
- The director must not be an undercharged bankrupt, except for leave of the court.
- There are no nationality or residence restrictions for company directors.

Unless it is specified in the Articles of Association of a company, there is no restriction on the maximum number of directors.

Once your company is incorporated, you must notify Companies House of any changes to the Director or their details.

## The secretary

The appointment of a company secretary is optional for private limited companies. If you choose to have a company secretary, it is a statutory appointment and must be notified to Companies House, along with any subsequent changes. If appointed, the company secretary is responsible for the record-keeping formalities to be observed by the company, namely:

- Keeping minutes of board and shareholders' meetings
- Submitting statutory forms and shareholders' resolutions to Companies House on time
- Giving notice of shareholders' meetings
- Registering of share transfers
- Maintaining statutory documents and company records
- Providing members and auditors with notice of general meetings.

There are no specific qualification, nationality or residence requirements for a company secretary.

Please note that even if you choose not to appoint a secretary, these duties remain. Jordans provide a range of company formation and administration services to help you comply with your statutory obligations.

## Share capital

Our companies are usually formed with share capital divided into ordinary shares of £1 each, at least one of which must be issued.

### Share capital value

The share value for a new company will usually be £1, although greater values can be arranged. Due to the constraints of transmitting data electronically, there is a limit of ten character digits for the share capital fields, meaning that incorporating a company with a maximum value of £9,999,999 is possible. If you require a greater value, please contact [our UK Company Formations department](#).

### Multiple share classes

Companies can be formed with more than one class of share. Different classes of share can be used to give different shareholders different rights. For example, "A" and "B" shares may be used to allocate different transfer or dividend rights to the holders.

Jordans' online companies are formed with ordinary shares - if you require more than one class of share from the outset, please [contact us](#).

### Members

Any person can be a member (or shareholder) of the company. Accordingly, a member can be an individual, company or limited liability partnership. A private company can have only one member and is then referred to as a single member company. In this situation, special rules apply.

### The first board meeting

The directors of a newly formed company should hold a first board meeting as soon as possible after incorporation. Jordans can supply draft minutes in accordance with your particular circumstances, if required.

### Company registers

Every company must keep certain registers, including a register of shareholders and directors.

Jordans supply a set of blank registers as part of our standard product. These include full guidance on how and where each register should be kept and the precise rights of inspection for each. Alternatively, we can maintain your company's registers for you as part of our company administration service.

[Our stationery department](#) can also supply other company and legal forms.

### General meetings

A general meeting is a meeting of the shareholders (members) of the company. The only business that can be conducted at a general meeting is the business set out in the notice convening the meeting. The type of resolution (the decision of the members), ordinary or special, by which the business is transacted, will be as required by the Companies Act or the Company's Articles and must be specified in the notice.

Changes to the company name,, share capital or Articles of Association of the company are usually effected by resolutions passed at general meetings, but a private company may also make these changes by written resolution. Subject always to the Articles, alterations to the name and articles are made by special resolution, while changes to share capital (such as subdividing shares into a lower nominal value) are usually effected by an ordinary resolution. Share issues are normally dealt with by the board.

Copies of special and certain ordinary resolutions must be filed at Companies House within fifteen days of being passed. If the Articles of Association are amended, a printed copy of the Articles as altered must also be filed at Companies House no later than fifteen days after the passing of the resolution. A fee is payable to Companies House on a change of name and the change of name is not effective until they issues a certificate of change of name.

Jordans can help with any amendments required to the share capital, objects clauses, Articles of Association or change of name of your company and the subsequent reprinting of the Memorandum and Articles of Association. [Please contact](#) us for more information.

## Financial year and accounts

The company's financial year end may also be described as the 'accounting reference date'. The company's accounting reference period is determined according to its accounting reference date. Unless notice of another accounting reference date is given to Companies House, the accounting reference period will automatically end on the last day of the month in which the company was incorporated.

A company's first accounting reference period must be more than 6 months but not more than 18 months. It starts on the date of incorporation and ends on the accounting reference date. Subsequent periods are for 12 months, starting with the end of the last period and ending on the accounting reference date.

The date can subsequently be changed by filing the prescribed form.

The accounts for a private company must be filed at Companies House within 9 months from the end of the accounting reference period, and a copy of the accounts must be sent to the members before the end of this period or before the accounts are actually delivered to Companies House, if earlier. The accounts must be delivered to Companies House with the balance sheet(s) signed by a director. Heavy fines can be incurred where companies fail to submit accounts within the time limit.

[Contact us](#) for more information about Jordans accounting services

## Annual Return

Every company must make a return (called the 'Annual Return'), to Companies House once every calendar year. The return must show the position as at the 'return date' which is either (a) the anniversary of the incorporation of the company or (b) the anniversary of the return date of the previous annual return filed at Companies House.

The annual return must be filed at Companies House within 28 days of its return date. Failure to do this is a criminal offence for which directors and company secretaries may be prosecuted.

As well as the annual return and the accounts every company director has an obligation to ensure that statutory documents are filed with Companies House, in particular changes to the directors or their details or a change in registered office.

Jordans can supply company and legal forms, registers and printing. For more information [email our Stationery department](#).

You may prefer to let someone else look after these obligations for you. [Contact us](#) for more information on our Company Administration service.