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Company Formation Checklist<sup>1</sup>

Action	Commentary	Responsibility	Status	Remarks
<b>Name</b>	<ul style="list-style-type: none"> <li>What is the company name? There are certain restrictions on the choice of registered name that can be adopted. The register should be checked as to whether the name is available. CA 2006<sup>3</sup> consulted for prohibitions.</li> <li>Will the company have a trading business name?</li> </ul>			
<b>Intended business activities</b>	<ul style="list-style-type: none"> <li>What is the company's business activity?</li> <li>Are there any licences etc. that need to be secured in advance to operate the business?</li> </ul>			
<b>Registered Office</b>	<ul style="list-style-type: none"> <li>A company must have a registered office. Consider where the most appropriate place for the company's registered office and correspondence should be. Should it be the company's premises, the residence of one of the directors, the residence of the accountant's or solicitor's office?</li> </ul>			

<sup>1</sup> Whilst the proposal may be to form an unlimited or public company etc., this template is intended for use where the participants will be forming a private company limited by shares.

<sup>2</sup> CH = Companies House.

<sup>3</sup> CA 2006 = Companies Act 2006

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	Accountants or solicitors are likely to charge more than likely charge for			
<b>Company Secretary</b>	<ul style="list-style-type: none"><li>• Whilst there is no statutory requirement for a private company to have a company secretary, it may be extremely useful to have a dedicated person acting as a company administrator.</li><li>• The duties that are often considered to be within the remit of a company secretary need to be fulfilled, for example filing documents with the Companies House. If a company does not have a company secretary, the duties likely fall to the company directors.</li><li>• If a company secretary is appointed, has the company secretary provided the relevant details of the secretary that will need to be recorded at CH – including name, address and service address?</li></ul>			
<b>Directors</b>	<ul style="list-style-type: none"><li>• Who will be the company directors?</li><li>• Have they consented to act as directors and are they aware of their statutory duties, under the CA 2006 and any relevant regulations (including health and safety)?</li></ul>			

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	<ul style="list-style-type: none"><li>• Will any director enter into a service contract with the company?</li><li>• Will the company initiate any shareholding arrangements with directors proposed to appoint or who are not shareholders of the company?</li><li>• Has the company got the relevant details of its subscribers including full name (and alternative names), service and residential address, DOB, nationality, date of residence, occupation?</li></ul>			
<b>Subscribers and initial shareholders</b>	<ul style="list-style-type: none"><li>• Who will be the subscribers and their contact information?</li><li>• Who will be the initial shareholders (all companies must have at least one member)?</li><li>• These will often be the same people; however this depends on how the company is to be incorporated and whether the company has been incorporated as a shelf company (see page 10).</li></ul>			
<b>Initial share capital</b>	<ul style="list-style-type: none"><li>• What will be the total value of the initial shares issued in the company?</li><li>• Will the shares be fully paid up?</li><li>• What will be the aggregate nominal value of these shares?</li></ul>			

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	<ul style="list-style-type: none"><li>• Will there be more than one class of share?</li><li>• If so, how many shares will be issued in each class?</li><li>• What rights will attach to each class of share?</li><li>• Will some shares be non-voting?</li></ul>			
<b>Statement of initial significant control</b>	<ul style="list-style-type: none"><li>• Are there any persons who will need to be recorded in the company's persons of significant control (PSC) register?</li></ul>			
<b>Election to keep information on central register at Companies House</b>	<ul style="list-style-type: none"><li>• Will the company elect to keep information on the central register rather than keep private registers itself?</li><li>• This option is instead of (as well as) the company keeping private registers.</li><li>• A decision to keep information on CH may be made for the company's statutory registers. It must be made by all members. In the case of the register of members, all members must consent.</li></ul>			
<b>Company Registers</b>	<ul style="list-style-type: none"><li>• With the exception of the company keeping registers (see above), the company must use the statutory registers. The registered office of the company must be an alternative inspection location.</li></ul>			

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	<p>(SAIL).</p> <ul style="list-style-type: none"><li>• Will the company have a SAIL as well as its registered office?</li><li>• If so, this must be noted in the SAIL.</li><li>• A SAIL must be in the UK in which the company is registered.</li></ul>			
<b>Memorandum of Association</b>	<ul style="list-style-type: none"><li>• Under the CA 2006 the memorandum is in a prescribed form and is merely an incorporation document.</li></ul>			
<b>Articles of Association</b>	<ul style="list-style-type: none"><li>• All registered companies must have a constitution with its articles of association.</li><li>• The company will need to decide whether it will adopt the articles as prescribed in the CA 2006 or whether it will use bespoke articles.</li><li>• Many companies adopt the articles and then make amendments subsequent to incorporation. This may depend on whether the company is incorporated in the UK or whether the company is incorporated as a shell company (see below).</li></ul>			
<b>Incorporation method and fee</b>	<ul style="list-style-type: none"><li>• Companies may be incorporated by paper or web incorporation.</li><li>• Companies may opt for fast or standard incorporation.</li></ul>			

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	<ul style="list-style-type: none"><li>• Companies may be incorporated from scratch; however, a company may want to buy a “shelf” company that has already been incorporated and is a legal stationer. If a shelf company is purchased, the details of the company officers, corporate structure, and share capital will need to be amended.</li><li>• The fee for incorporation will depend on which incorporation service is chosen.</li></ul>			
<b>Premises</b>	<ul style="list-style-type: none"><li>• What premises will the company operate from?</li><li>• Will this be the same as the company’s registered office?</li><li>• Will the company need a separate office lease?</li></ul>			
<b>Company assets</b>	<ul style="list-style-type: none"><li>• What other assets (other than cash) will be used by the business?</li><li>• This may include IP rights, as well as office equipment, computers, etc.</li></ul>			
<b>Debt</b>	<ul style="list-style-type: none"><li>• How will the business be financed?</li><li>• Is it proposed that the company take on debt?</li><li>• If so, will this be secured against the company’s assets?</li></ul>			

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	directors be required personal guarantees? <ul style="list-style-type: none"><li>• Will the directors provide the company?</li></ul>			
<b>Shareholders' Agreement</b>	<ul style="list-style-type: none"><li>• Will the shareholders' agreement be a shareholders' agreement which must be filed with the CH, a shareholders' agreement a private contract. Many shareholders prefer to set out the details of arrangements themselves in a shareholders' agreement for this reason.</li></ul>			
<b>Auditors/Accountants</b>	<ul style="list-style-type: none"><li>• Subject to limited exceptions, companies must appoint an auditor.</li><li>• Who will be the company's auditors/accountants?</li></ul>			
<b>Tax</b>	<ul style="list-style-type: none"><li>• Have the company and individual shareholders considered their tax position and the impact of tax charges, e.g. stamp duty, on the transfer of shares?</li><li>• Will formal advice be sought?</li></ul>			
<b>Employee Shareholders</b>	<ul style="list-style-type: none"><li>• Will there be any employee shareholders?</li><li>• Will the company offer share options to any of its employees?</li><li>• Will the company offer to run a formal share option scheme?</li></ul>			

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Action	Commentary	Responsibility	Status	Remarks
<b>Dividends and Distributions</b>	<ul style="list-style-type: none"><li>• What will be the company's distributions policy?</li><li>• The most common form of distribution is a dividend.</li></ul>			