

## **Starting a company – the basics**

### **What is Companies House?**

Companies House is the registrar of companies in the United Kingdom. All companies must be registered with Companies House, and once registered any changes to company details must also be recorded with Companies House.

### **What is a limited company?**

It is a legal entity created by its incorporation with Companies House. The liability of its members or subscribers is limited by what has been invested or guaranteed to the company. Limited companies may be limited by shares or guarantee. A company limited by shares is by far the most common type of company in the UK.

### **What is a company limited by guarantee?**

It does not have shareholders, but instead has members who act as guarantors. It is primarily for the purposes of non-profit organisations.

### **What is an LLP?**

LLP stands for Limited Liability Partnership and is similar to a normal business partnership with the one difference being that the personal liability of the partners is limited.

### **What types of companies can be set up on your website?**

Ezyco Formations specialise in the online formation of companies limited by shares or guarantee. We also form Limited Liability Partnerships.

### **What is the Certificate of Incorporation?**

The Certificate of Incorporation is the main document which proves a company exists and has been registered under the requirements of the Companies Act 2006. It includes the company name and number, the date of its incorporation, whether it is limited or unlimited, and where the registered office is situated (England and Wales, Scotland or Northern Ireland).

This document is usually required by banks when opening a business bank account.

### **What company names are acceptable?**

Most names are acceptable to Companies House, however, there are a few exceptions:

- The name cannot be the same or very similar to a name already being used.
- It cannot be considered offensive
- The words 'limited' or 'unlimited' cannot be used unless at the end of the name.
- Words of the nature of 'group' require providing the existence of related companies, whilst use of the word 'international' must be substantiated to prove companies in at least two different countries.

### **Limited or LTD?**

All registered limited companies require the suffix Limited or LTD after the company name. Both mean exactly the same and the choice of which one to use is a matter of personal preference.