



# Forming a Company

- Sole Traders and Partnerships are **unincorporated**
  - This means that the owner(s) and the business are legally the same
  
- Private and Public Limited Companies are **incorporated**
  - This means that legally the owners and the business are different
    - This is why the American equivalents have “inc.” at the end of their name!
  
- Therefore to set up a company a business must complete 2 legal documents:
  - The Articles of Association
  - The Memorandum of Association





# The Articles of Association

- This document must contain the following information:

- Rules for having shareholder meetings
- A list of directors, and their jobs
- The voting rights of shareholders
- Details of how accounts will be recorded

- Effectively this document is the “rule book” of the company



# The Memorandum of Association



- This document must contain the following information:

- The company name
- The main business address
- What the business does
- A statement of limited liability
- The number of shares to be sold

- Effectively this document tells people about the business





# What Happens Next?

- These 2 documents are sent to the Registrar of companies, and the process is as follows

