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Benefits Of Using A Dormant Company For Company Formation

During a company formation, numerous people have chosen to use a dormant company rather than starting a brand new company. There are many benefits and reasons for doing this.

The Dormant Company A dormant company is a company that has registered with companies house however, doesn't have any accounting transactions of significance and hasn't traded. After the dormant company has been registered, to prevent anyone else from using a particularly business name it is usually placed on the companies house database. However, there are times when dormant company isn't used and may be sold on or change hands. Therefore, another person might be able to take full advantage of the benefits of a dormant company.

The Benefits of Using a Dormant Company

There are numerous of using a dormant company as opposed to conducting a new company formation. Obviously, the fact that the company is already registered is a huge benefit. By using a dormant company with your new business there is almost no risk of being rejected, particularly if the original name is kept, because it is already on the companies house register.

In addition, the amount of time it takes to register can make a difference. A dormant company has been on the company register for some period of time and the older the better. Although it may not have ever been traded, a company that is dormant has a date that it was established. This is date that it was registered originally. This will give a new company a length of existence and a sense of maturity.

When possible, a dormant company will have also submitted their accounts during each year of their registration. This will help a new company with the worthiness of their credit, which is one area that most new companies struggle with.

Changing Hands The process of adopting a dormant company, as opposed to conducting a new company formation is relatively simple. All that is needed is an experienced company formation agent who will assist with the process of the transfer. Then you can take full advantage of the company that is dormant to form your new business.

There are many professional and experienced company formation agents are available on the Internet, most of which have a lot of experience in dealing with dormant companies and new companies when registering. If you want to take advantage of using a dormant company as opposed to conducting a new company formation contact their website on the Internet.

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