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Table of Contents.

Table of Contents.	2
AI Statement.	3
Introduction.	4
Main body.	5
Internal disputes.	5
Acas.	5
Internal resolutions.	5
Legal structure for business.	5
Partnership Law.	5
Legal structure for business.	6
Partnerships.	6
Conclusion for Partnership.	6
Limited Liability Partnerships LLP.	6
Limited Liability Partnerships LLP. (Guidance).	6
Legal structure for business.	7
Private Limited Company.	7
Private Limited Company. (Requirements).	7
‘Salomon v A Salomon & Co Ltd’ (1897).	7
‘Prest v Petrodel Resources Ltd & Others’ (2013).	7
Legal structure for business.	8
‘Jones v Lipman’ (1962). WLR 832.	8
Company formation.	8
Memorandum of association.	8
Model Articles for Private Limited Companies.	8
‘Fenning v Fenning Environmental Products Ltd (1982).	8
Conclusion.	9
‘Advice.’	9
References.	10

AI Statement.

Throughout this business law report there is the acknowledgement of AI, the use of Artificial Intelligence has become undeniably important throughout academic writing & has been utilised solely for structure & mass text analysis to better understand complex writing & developing structural format. AI is the future of planet earth & will develop overtime in academic study 100%. This statement provides acknowledgement to that fact.

Introduction.

This report shall critically evaluate legal structure for 'NeuroPulse Analytics' involving the core principles of 'Partnership & Company Law.' It has been found that there is no legal structure in place for Dr. Rahman & her business. However, there are several correct solutions best suited for Dr. Rahman & the business developments desired.

The aim/purpose of analysis within this report shall resolve any internal disputes between Dr. Rahman & her employees 'Leo & Sophie' as it can be seen the business needs guidance on future ideas.

1. The development of negotiating major contracts worth up to £850,000.
2. The employment of new specialist staff members to help growth.
3. Welcoming external investment to develop a new AI tool.
4. Limit personal financial exposure through business scale & development.
5. Whether a partnership currently exists between Dr. Rahman, Leo & Sophie & options involving setting up a limited company or limited liability partnership are suitable for business endeavours.
6. Development of key roles such as stakeholders, directors, shareholders, creditors & future members through business relationships.

The scope & conclusion of this report within the main body shall provide answers to investor questions, the request of clear governance on financial structure, transparency on financial reporting & the limited liability aspects from future investors, whilst providing a conclusive framework advised upon by Rowland & Co. Solicitors.'

Legislation.

(Partnership Act 1890).

(Limited Liability Partnership Act 2000).

(Companies Act 2006).

Main body.

Internal disputes.

Dr. Rahman & her colleagues 'Leo & Sophie' have undergone internal difficulty involving decision making, authority, profit-sharing & responsibility for incurring debts.

These issue in some cases can be seen as a crucial step to resolve before escalation & evidence suggests according to the Advisory Conciliation and Arbitration Services [acas], (2014) that acas can provide sufficient training, help & support finding resolutions to suffice those difficult workplace issues.

Acas.

Acas's services can give Dr. Rahman advice, clarity, confidence & the correct safeguarding ensuring a suitable solution for all three parties. Acas provides 'mediation' services that can also provide support for the business in such a critical stage of development acas, (2022). What this provides Dr. Rahman with is a clear conclusion to settle disputes internally. Furthermore, legislation provides the correct laws useful as found in s.1.3, 4(2)(e) of the (*Civil Procedure Rules 1998*). Evidence suggests that the provisions encourage 'Alternative Dispute Resolutions' as a means of preventing litigation proceedings & this is examined in the case of 'Dunnett v Railtrack plc' (2002). The case proves the point of 'mediation' & how indispensable the service is whilst recognised by the courts.

Internal resolutions.

The reason for 'internal resolutions' is to provide Dr. Rahman with correct answers to her current position within her business. Evidence suggests that Dr. Rahman is currently working under the legal structure of 'sole trader.' What this can write down is that there is no official legal structure in place. 'Leo & Sophie' have both invested into the business financially & also take part in day-to-day management within the business & this is a priority to solve.

Legal structure for business.

Partnership Law.

According to s. 1(1)(2)(a)(b) of the (*Partnership Act 1890*) the provisions can provide the interpretation of a partnership & although there is no registration officially needed legally when forming a 'partnership' there is the 'common viewpoint of profit that can assume a 'partnership' is the official legal structure already in place and it is the case in this instance. However, in s. 2(3) of the (*PA 1890*) evidence says that being a share to profit is 'prima facie' & receipt of profit share does not in fact make 'Leo & Sophie' official partners 'counteracting the 'partnership' structure again. This is the reasoning by Dr. Rahman's assumption of a 'sole trader' (Slorach & Ellis, 2021, p. 4).

Legal structure for business.

Partnerships.

According to (Slorach & Ellis, 2021, p. 4) partnerships & companies differentiate in many ways, with the most principal factor being that partner, shareholders are subject to unlimited liability. What this means is that a 'partner' is not a separate legal entity to its institution exposing themselves to debt liabilities & creditors alike far different to the structural institution of a company.

Conclusion for Partnership.

What this concludes is that the legal structure of a 'partnership' is not the correct structure for Dr. Rahman & her colleagues to pursue, facts presenting exposure for investors, partners, shareholders to liability. This structure would also not suffice the request from the potential investor who has asked for public reporting on finances to provide governance on annual accounts.

Limited Liability Partnerships LLP.

Evidence suggests according to LexisPSL Corporate Overview [LexisPSL], (no date) that a 'Limited Liability Partnership' falls under the (Limited Liability Partnership Act 2000). In s. 1(1)(2)(3)(4)(5)(6) of the (LLPA 2000) the provisions provide all the requirements for a 'Limited Liability Partnership' providing an adequate legal structure known as a 'body corporate' for Dr. Rahman & her colleagues to understand. s. 1(2) of the (LLPA 2000) provides members with separation from 'legal personality' proving a better choice from a 'partnership.'

Evidence suggests by LexisPSL, (no date) that a 'Limited Liability Partnership' is different from a 'partnership' and this can clearly be seen through the enactments including that of (Companies Act 2006).

Limited Liability Partnerships LLP. (Guidance).

According to (UK Government, 2014) the requirements to incorporate a 'Limited Liability Partnership' as a business will need two or more members that must be associated lawfully within the business. Each member will have to pay their own tax individually on their share of profits & can be examined in s.2(1)(a) of the (Limited LiabilityPartnership Act 2000). This can be seen as a determining factor as 'corporate members' are not liable for any debts owed if the business is 'wound up.' Companies house offers the full range of requirements for Dr. Rahman, Leo & Sophie to potentially register, incorporate if this is the correct choice for the business moving forward. The full breadth of information can be examined in the explanatory notes of s. 13. 14. 15. 16 of the (Limited Liability Partnership Act 2000) and provides a defining factor that it is a separate legal entity alike to a company. However, it is the members who have control over the business unlike a 'private limited company' where only one 'director' has full control of the business.

Legal structure for business.

Private Limited Company.

According to (UK Government, no date) there are two types of 'Limited Company,' limited by 'shares & guarantee.' Dr. Rahman & her colleagues intend for investor development & profit making. Looking to onboard contracts worth £850,000 & drive new AI products to innovate the business model, attract specialist staff, limit personal financial exposure & this means that the company is better suited with the limited by shares option, as found in s. 3(2) Of the (CA 2006) providing a clear definition of the term limited by share. this option raises investment, pays shareholders profits through dividends, gives shareholder an opportunity to vote & can provide the correct legal structure desired.

Private Limited Company. (Requirements).

According to s. 154(1) of the (Companies Act 2006) 'A private limited company must have at least one director'. What this can provide Dr. Rahman with is a certainty that she can fulfil the aspirations of the business as described above. According to (UK Government, no date) a director has been appointed to support responsibilities such conducting annual accounts, completion of tax returns, report information & keep company records. What this answers is the full task as to the most desired structure for all parties involved.

According to (Slorach & Ellis, 2021, p. 41) 'the effect of a company limited by shares is that on unfortunate circumstances involving liquidation, the liability of members/shareholder & investors is limited & this is to the amount originally invested by each body. What this provides is a good safeguarding measure for potential investors providing legal protection against liability.

'Salomon v A Salomon & Co Ltd' (1897).

A landmark case to examine is that of 'Salomon v A Salomon & Co Ltd' (1897), Chen (2026). The case finds a strict distinction of separate corporate personality. The case can provide guidance for Dr. Rahman to understand her liabilities if this is the correct legal structure opted for future developments. This can be strengthened by the (UK Government no date) solidifying that a limited company 'is legally separate from the people that own it.'

'Prest v Petrodel Resources Ltd & Others' (2013).

There is a further case to examine that aligns with the case of 'Salomon' & that is the case of 'Prest v Petrodel Resources Ltd & others' (2013). This case proves a defining risk factor for Dr. Rahman & her party when setting up a business. The risk involves families, personal assets & the terminology is known as 'lifting the veil of incorporation,' (Slorach & Ellis, 2021, p. 43).

Legal structure for business.

'Jones v Lipman' (1962). WLR 832.

This case supports the terminology 'Piercing the Corporate Veil' and examines business façade and unlawful incorporation Chen (2026).

Company formation.

The legislation to support the case of 'Jones v Lipman' (1962) is in s. 7, 1(a)(b) 2 of the (CA 2006) is the provision of what is required to form a company & also involves the compliance of a 'memorandum of association' providing the facts of unlawful acts to set up a company that is prohibited through these enactments.

Memorandum of association.

According to LexisNexis Commercial expert (2026), a memorandum of association is a statement by all parties involved that are now shareholders giving permission to go ahead and set the company up under the (CA 2006).

What this can offer then is an alternative option when discussing roles of each party providing both 'Leo & Sophie' with the option of becoming active shareholders with limited liability on any future investments

Model Articles for Private Limited Companies.

The model articles provide governance for small to medium sized businesses providing interpretation of limited liability, directors powers, shares & distribution, dividends, and other distributions, decision making by shareholders, quorum for general meetings & administrative duties (UK Government, 2018). The articles are also available under the enactment of (The Companies (Model Articles) Regulations 2008).

'Fenning v Fenning Environmental Products Ltd (1982).

The case examines the powers of shareholders & how statutory requirements found in s. 312(2) of the (CA 2006) reinforcing the procedure for the removal of directors by shareholders. What this provides all parties with is the reassurance that there are laws in place to support all involved especially those shareholders & of the director involved.

Conclusion.

'Advice.'

The conclusion of advice for Dr. Rahman & her colleagues is the potential prospects of choosing a 'Limited Liability Partnership' as the legal structure for their business or the possibility of a 'Private Limited Company.' Both are correct options for the business moving forward & the decision is truly theirs as an aspiring business moving forward.

Furthering the requirements from potential investors for the public viewing of company reports & annual accounts, this request can be found via the companies house website allowing limited companies 'private' or 'public' to lodge their annual accounts (UK Government, no date) providing Dr. Rahman with a clear pathway of understanding when making the correct choice for legal structure. What this provides is reassurance to the overall solvency of the business answering those difficult investment questions asked upon from potential investors.

This report should also solve the internal disputes involving Dr. Rahman, Leo & Sophie with clear evidence as to what is involved when deciding upon the correct legal structure for the business. With all the evidence provided this report should cover all the aspects of the task & provide solid advice for Dr. Rahman & the future business developments of 'NeuroPulse Analytics.'

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