

UK Company Information Sheet



Description of company

Private company limited by shares.

Governing legislation

Companies Act 2006 as amended (the “2006 Act”).

Default articles of association

Model articles for private companies limited by shares as set out in Schedule 1 to The Companies (Model Articles) Regulations 2008.

Time-scale for incorporation

Normally 2-3 days. A guaranteed same-day incorporation is also available.

Method of incorporation

Usually incorporated electronically.

The regulations governing availability of names

The word “Limited” or “Ltd” must be the last word of the name of every company limited by shares incorporated under the 2006 Act. No company shall be incorporated under the 2006 Act with a name that is identical to a company already in existence. Words such as “Assurance”, “Bank”, “Building Society”, “Royal” and “Trust” etc will require justification.

Minimum and maximum number of shareholders

A company may have a minimum of one shareholder. There is no maximum number of shareholders provided by the 2006 Act although the articles may impose a limit.

Statutory minimum paid-up capital requirements

None.

Standard authorised share capital

There is no concept of authorised share capital in the 2006 Act although the articles may impose a maximum number of shares that can be issued.

Classes of shares available

Share capital may be divided into different classes. Redeemable shares and share warrants to bearer may be issued. “No par value” shares are not permitted.

Denomination of share capital

Share capital may be denominated in any currency and different classes of shares may be denominated in different currencies.

Residency requirement on shareholders or shareholders' meetings

There are none although the articles may impose residency requirements.

Information published relating to shares and shareholders

The company must keep a share register at the registered office address or other Single Alternative Inspection Location (“SAIL”). This is available for public inspection. The annual return will provide details of the shareholders' names and is kept on the public register held at Companies House (public record). In addition, a return must be filed at Companies House in relation to any allotments.

Minimum and maximum number of directors

A company may have a minimum of one director. As there need only be one director and shareholder, a single person company is possible.

There is no statutory maximum number of directors although the articles may impose a limit.

Are corporate directors permitted?

Yes but a company must have at least one director who is an individual.

Nationality and residency requirements of directors

None but the articles may impose such requirements.

Nature of the powers of the directors

The directors have all the powers of the company that are not reserved to the members under the 2006 Act or the articles. They are however bound by various duties some of which are set out in the 2006 Act.

Directors' resolutions and decisions

Under the model articles directors may pass resolutions in three ways:

Board meetings:

The directors may pass resolutions at meetings by a simple majority.

The directors may meet at such times and in such manner and places within or outside the United Kingdom as set out in the articles. Telephone and other electronic meetings are permissible under the model articles.

The quorum for a meeting of directors is set out in the articles. The model articles provide for a quorum of two unless it is otherwise fixed by the directors.

Written resolutions:

The directors may also pass resolutions in writing by unanimous consent.

Unanimous decisions:

The directors may taken decisions when they all indicate to each other by any means (eg by email) that they share a common view on a matter.

Where there is only one director and the articles do not require more than one, the director need not follow these formalities but is required under the model articles to keep records of decisions made. There is no legal requirement to provide details of other directorships.

Details of directors' shareholdings are included in the general list of shareholders. There is no requirement to report separately.

Information published relating to directors

Certain directors' details must be filed at Companies House (public record).

Individual directors:

The details for individual directors are the full name, any former name, full residential address, country or state (or part of the UK) in which the person is usually resident, nationality, business occupation (if any) and date of birth.

It is possible for directors to nominate a service address (rather than their usual residential address) to appear on the public record.

Corporate directors:

The details for all corporate directors are the name and registered or principal office address.

For an EEA registered company, particulars of the register (including details of the relevant state) and registration number are also required.

For a non-EEA registered company, its legal form, governing law, particulars of the register (including details of the relevant state) and registration number are required.

Secretary

A company does not need to have a company secretary, but where it chooses not to have one, the functions traditionally carried out by the secretary still need to be performed.

Must accounting records be kept by the directors?

Yes. Section 386 of the 2006 Act provides that every company must keep adequate accounting records. These records must be sufficient to: (i) show and explain the company's transactions, (ii) disclose with reasonable accuracy, at any time, the financial position of the company at that time, and (iii) enable the preparation of statutory accounts.

Must such accounts be filed?

The filing obligations for different sizes of company differ but the general position is set out in section 441 of the 2006 Act. This section states that the directors shall in respect of each financial year deliver to Companies House (public record) a copy of the company's accounts together with a copy of the directors' report and (if applicable) the auditor's report.

Must such accounts be audited, and if so by whom?

Such accounts must be audited unless the company falls within one of the exemptions.

A company is exempt from having to appoint auditors for a financial year if it qualifies as a small company in relation to that year; its turnover in that year is not more than £6.5 million and its balance sheet total for the year is not more than £3.26 million.

If accounts must be audited then the auditor must be a regulated professional who is independent of the company. The professional bodies include the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants. Any auditor must hold a current practising certificate.

Must the company have a registered presence in the territory of incorporation?

Yes. A company must at all times have a registered office within England and Wales, Wales only, Scotland or Northern Island.

What records must be maintained in the territory and available for public inspection?

The registers and certain other records of the company must be open to inspection at the registered office address or at a SAIL.

The relevant registers are the registers of members, directors (service addresses), secretaries and charges.

Certain other records must also be open to public inspection such as copies of directors' service contracts and contracts relating to purchases of own shares.

Can the company make secured and unsecured loans?

Yes. The 2006 Act provides that a company's objects are unrestricted unless the articles expressly restrict them.

What are the limits placed on the company's borrowing powers?

None. There are no debt/equity ratios under the law.

Is there a register of company charges?

Yes. In addition, particulars of any charge must be filed at Companies House (public record) within 21 days of the charge's creation.

Company seal

A company incorporated under the 2006 Act may have a common seal. This is not mandatory.