

# TYPES OF COMPANIES IN THE UK. IMPORTANT DOCUMENTS OF COMPANY

Made by Vanzha V.  
Astreyko A.  
Boychenko D.

# Most common types of company in the UK

1. PUBLIC LIMITED COMPANY (PLC)
2. PRIVATE COMPANY LIMITED BY SHARES (LTD)
3. COMPANY LIMITED BY GUARANTEE
4. UNLIMITED COMPANY (UNLTD)
5. LIMITED LIABILITY PARTNERSHIP (LLP)
6. COMMUNITY INTEREST COMPANY
7. INDUSTRIAL AND PROVIDENT SOCIETY (IPS)  
\*have been replaced\*
8. ROYAL CHARTER (RC)

# Public and Limited companies

- A **public company** is a corporation whose ownership is open to the public. Anyone can buy shares in the company's stocks.
- A **limited company** is a corporation in which an individual's financial liability for the company is restricted to a fixed sum – this sum is usually the value of their investment.



# PUBLIC LIMITED COMPANY (PLC)

## PUBLIC LIMITED COMPANY

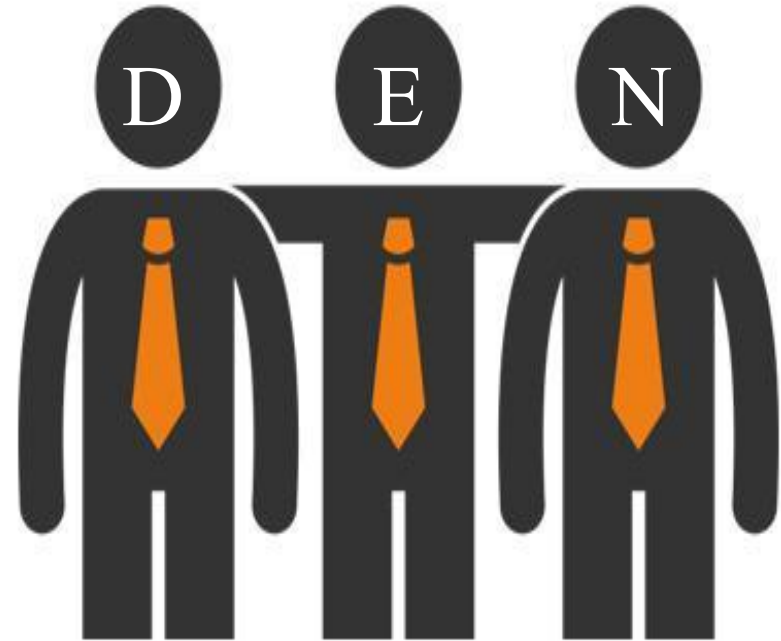


- A PLC is a combination of these two concepts – it is a public company whose shareholders (who could, theoretically, be anyone) are responsible for the company's financial liabilities to the extent of their investment.
- The other key point of note is that before a PLC can start business, it must have allotted shares to the total value of at least £50,000.

# PRIVATE COMPANY LIMITED BY SHARES (LTD)

- In contrast to a public company, a private company cannot be owned by any members of the public. It will instead be owned by an NGO (non-government organization) or a relatively small number of shareholders, and the sale of company shares is handled privately.

## PRIVATE LIMITED COMPANY



# PRIVATE COMPANY LIMITED BY SHARES (LTD)



- However, these companies are limited, like PLCs, and this has the same implications for a private company as it does for a public company. Once again, an individual is only responsible for the business's financial liabilities to the extent that they invested in the company.

# COMPANY LIMITED BY GUARANTEE

- A company that is limited by guarantee is very different to the two previous types of limited company. In this case, the individuals are not responsible for a fixed sum based on their investment, as this company status is reserved for companies that don't have shareholders, like smaller, non-profit organizations.

for what is  
to be best in  
point of view.  
**Guarantee** [gæ  
assurance that s  
be provided or w  
that something  
for what is the

# COMPANY LIMITED BY GUARANTEE

*Limited by Guarantee vs Limited by Shares*



We Guarantee a nominal amount



We invest in Share

- Instead of shareholders, these companies typically have a group of members who act as guarantors and agree to contribute a nominal sum towards the winding up of the company, in the case of such an event occurring.
- According to UK law, these companies have to include 'Limited' in their names, but exceptions can be made, for example, in the case of companies that are not distributing their profits to its members.



# UNLIMITED COMPANY (UNLTD)

- The key difference between limited and unlimited companies is that there is no formal restriction on the amount of money that shareholders have to pay if a company goes into formal liquidation.

*Unlimited Company*

**AND**

*Limited Company*

# UNLIMITED COMPANY (UNLTD)



- In the event of a formal liquidation (and only then), the shareholders are responsible for completely settling the company's outstanding financial liabilities, regardless of the extent of their investment in the company.

# LIMITED LIABILITY PARTNERSHIP (LLP)

- The first thing to note about LLPs is that they are not legally treated as partnerships in the UK, instead, they are treated as incorporated bodies that are more similar to the other types of company looked at in this list.
- For a business to be an LLP, some or all of the partners have to have limited liabilities, which means that they are only responsible for their own misconduct or negligence, rather than being responsible as a collective (which is the more traditional partnership model).

LLP



# LIMITED LIABILITY PARTNERSHIP (LLP)



- Another key element of an LLP is that, unlike other corporations, the partners are allowed to directly manage the business. In other company types, the shareholders have to vote to elect a board of directors, and the board employs other people to manage the company.

# COMMUNITY INTEREST COMPANY

- This status was created for companies that are not driven by the objective of maximizing profits for their shareholders, but with the intention of using their assets and profits for the good of the communities that they are in.



# COMMUNITY INTEREST COMPANY



- These companies are made to be easy to set up, and they run on the basis that any money they make is not distributed to shareholders, but goes to improving the area around them.
- Many community interest companies will still put profits back into the company, but that will be done with the intention of improving the community services that they offer.

# INDUSTRIAL AND PROVIDENT SOCIETY (IPS)

- Industrial and provident societies are worth a mention, as they were a major company type for many years.
- Since 2014 they have been replaced everywhere in the UK, except Northern Ireland, by newer types like the community interest companies mentioned above, and by other names, such as cooperatives and community benefit societies.



# ROYAL CHARTER (RC)



By Royal Charter

By Royal Charter

- If a company or organization has been created by Royal Charter, it means that it has been granted power or a right by the monarch. Once upon a time, all companies had to be approved by Royal Charter, but those days are long gone, and other methods of starting a company have become far more prevalent.



# ROYAL CHARTER (RC)

- Notable examples of chartered organizations include the BBC, the Bank of England and the Royal Opera House. It is worth knowing that chartered companies exist, but it is unlikely that this type of company will have much bearing on your day-to-day business.



ROYAL  
OPERA  
HOUSE



BANK OF ENGLAND

The background features a dark blue and black color palette with several white, glowing lines that create a sense of depth and movement. These lines form various geometric shapes and angles, some of which appear to be part of a larger, partially visible structure. The overall aesthetic is modern and technical.

Documents required for formation and operation

# PUBLIC LIMITED COMPANY (PLC)



## 1. Memorandum of Association

This sets out the company name, the registered office address and the company objects. The object of a company may simply be to carry on business as a general commercial company. The company's memorandum delivered to the Registrar must be signed by each subscriber in front of a witness who must attest the signature. It is often referred to as the 'charter of a company' or 'constitution of the company'. The signatories to the Memorandum of Association are deemed to be the first Directors of the company. The Memorandum defines the relation of members with the rest of the world.

## 2. Articles of Association

This is the document which sets out the rules for the running of the company's internal affairs. The company's articles delivered to the Registrar must be signed by each subscriber in front of a witness who must attest the signature. The Articles define the inter-management, inter-member and inter-employee relationship.

# PUBLIC LIMITED COMPANY (PLC)

## 3. Form 1

This gives details of the first director(s), secretary and the intended address of the registered office. As well as their names and addresses, the company's directors must give their date of birth, occupation and details of other directorships they have held within the last five years. Each officer appointed and each subscriber (or their agent) must sign and date the form.

## 4. Form 12

This is a statutory declaration of compliance with all the legal requirements relating to the incorporation of a company. It must be signed by a solicitor who is forming the company, or by one of the people named as a director or company secretary on Form 10. It must be signed in the presence of a commissioner for oaths, a notary public, a justice of the peace or a solicitor. There is usually a £5 fee payable to the person that witnesses the statutory declaration.

# PRIVATE COMPANY LIMITED BY SHARES (LTD)

## 1. Form IN01

Form IN01 states the first directors, the first secretary, and the address of the registered office. Each director must give his or her name, address, date of birth, and occupation. Each officer appointed, and each subscriber (or their agent), must sign and date the form.

## 2. The articles of association

## 3. The memorandum of association



# COMPANY LIMITED BY GUARANTEE

1. Memorandum of Association
2. Articles of Association

# UNLIMITED COMPANY (UNLTD)

1. Memorandum of Association
2. Articles of Association

# LIMITED LIABILITY PARTNERSHIP (LLP)

## 1. Limited Partnership Certificate

A legal document filed with the state government to register a limited partnership.

## 2. Limited Partnership Agreement

Defines the terms of your partnership and helps protect the success of your future business venture



# COMMUNITY INTEREST COMPANY

1. Memorandum of Association
2. Articles of Association



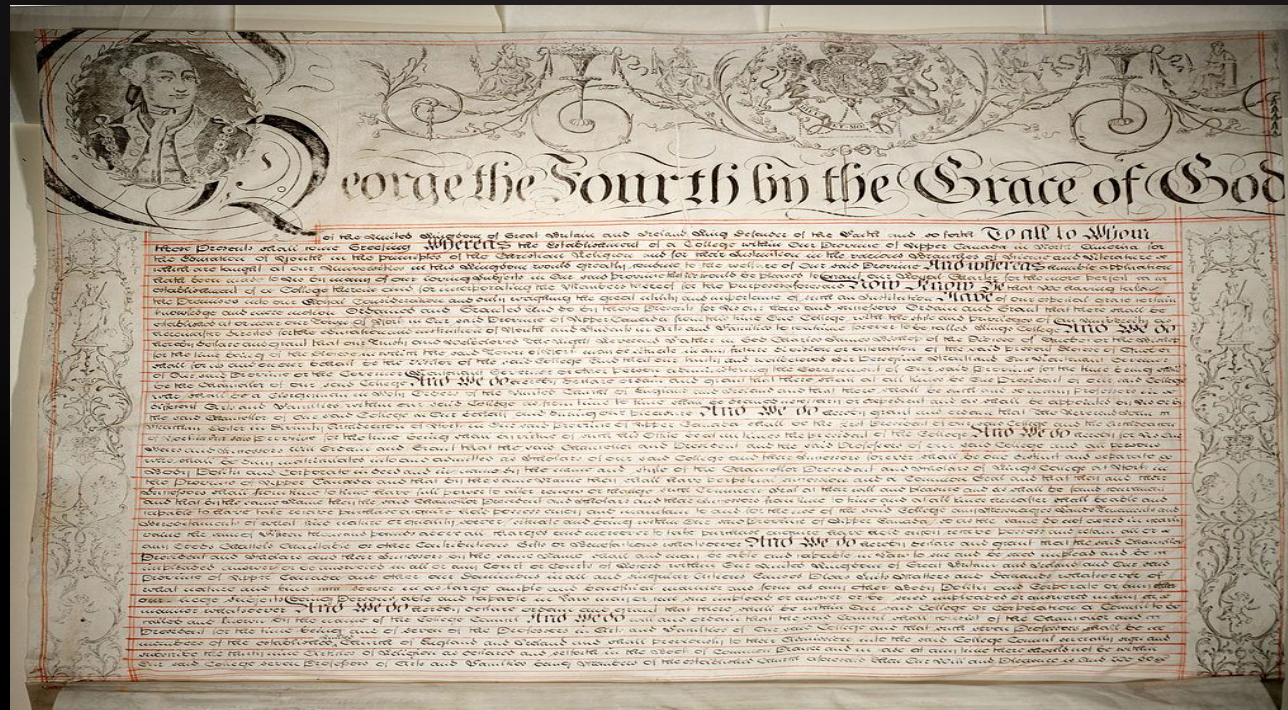
# INDUSTRIAL AND PROVIDENT SOCIETY (IPS)

- IPS Rules



# ROYAL CHARTER (RC)

The terms of each Charter are therefore somewhat different, depending on the individual requirements of the type of organization that is being incorporated



# C/S corporations

1. Articles of Incorporation
2. Bylaws (are the rules of a corporation, established by the board of directors during the process of starting a corporation)
3. Organizational Board Resolutions (a written statement created by the board of directors of a company detailing a binding corporate action)



# C/S corporations

4. Stock Certificates (the physical piece of paper representing ownership in a company)
5. Stock Ledger (is w-here the corporation keeps an accurate record of all stock transactions and is usually part of a corporate records book or kit)
6. IRS & State S corporation election (only for S-corp.)