

Stanley Davis

An update from Stanley Davis Group Limited

Issue 12: Company formations, company searches, property searches, Home Information Packs, offshore companies, company support services

Share classes

A company's share capital may consist of one or more classes of shares and each class of shares may have different rights and conditions. This offers opportunities to create a share capital with the maximum benefit to the company and shareholders alike. As an example, take a situation where you have four shareholders who are also directors and make varying contributions to the company. If each shareholder has their own class of shares then dividends can be paid independently. For further advice on how to achieve this, please contact us.

Protect yourself against Health and Safety Offences

Company directors and employers are urged to check their health and safety policies and to ensure that adequate insurance cover is in place. The Health and Safety Offences Act 2008 came into force on 1 January 2009. The maximum fine for offences imposed in the lower courts has been raised to £20,000 and some offences now carry an imprisonment option.

More on Late filing penalties

From 1 February 2009 new late filing penalties apply

Late filing penalties were introduced in 1992 with the aim of encouraging directors of limited Companies to file their accounts on time. Directors are legally obliged to provide this statutory information for the public record.

What are the changes being introduced?

The level of penalties has been increased to take account of inflation between 1992 and 2007. There will also be a faster rate of increase in the penalties for companies who file more than one month late, also the penalty will double for any company who files late, having also filed late the previous year. In addition, where there was a failure to comply with filing requirements in relation to the previous financial year (and that the previous financial year had begun on or after 6 April 2008), the penalty will be double that shown in the following table.

Table of new penalties

The new table of penalties is as follows:

How late are the accounts delivered	Penalty – Private Company	Penalty - PLC
Not more than one month	£150	£750
More than one month but not more than three months	£375	£1500
More than three months but not more than six months	£750	£3000
More than six months	£1500	£7500

When will I know what my penalty is?

Invoices for the payment of penalties will be issued automatically by the Registrar after the document to which the penalty applies has been filed. The invoice will be sent to the company's registered office address.

How can I avoid penalties?

Read the filing reminders that Companies House send to your registered office address.

Allow enough time to ensure that your accounts reach the Registrar within the period allowed in the Companies Act. First-class post is not guaranteed so if the filing deadline is looming, then please consider guaranteed methods of delivery that will ensure that your accounts arrive on time. Remember: the Registrar will not waive a penalty if your accounts are delayed in the post.

Do late filing penalties apply to other documents?

Where a company amends its articles of association, a copy of the amended articles must be sent to Companies House within 15 days. Failure to comply is a criminal offence.

From the 1st October 2009, the Companies Act 2006 introduces a new civil penalty of £200 for failure to comply. The penalty will only trigger if a company receives notice from the Registrar requiring it to deliver a copy of its amended articles and it does not comply within 28 days.

The company would remain liable to criminal proceedings in addition to the £200 civil penalty.

Question and Answers

Q. Does the company name on our letterhead have to be exactly the same as it appears on the certificate of incorporation?

A. It is advisable to reproduce the name exactly but from October 2008 minor variations have been permitted including the case of the letters, the use of punctuation and formatting as long as the differences do not result in there being a risk of confusion.

*Do you have any questions on company secretarial practice?
Email us for an answer from our Chartered Secretaries.*

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