

COMPANY ARTICLES

APRIL 2023

GUIDANCE NOTES

British
BIDsTM
Leading the BID industry

INTRODUCTION

In a previous Policy and Guidance Note (Note 7), the types of BID Body were explored. One such vehicle may be a limited company and, assuming that is the case, in keeping with all UK registered companies, it will require rules of operation, or so-called Articles (or Articles of Association).

GUIDANCE

Every registered UK Company requires Articles of Association that need to be first filed, and then maintained, with the Registrar of Companies at Companies House.

The majority of incorporated BID Bodies are private companies, limited by guarantee. Their 'ownership' will be with members as opposed to shareholders, meaning that any surpluses may not be distributed by way of dividend to shareholders, or similar.

The rules of the company, as set out by the Articles, will, most importantly, define the different role of the Directors (the 'Board') compared to that of the Members. At the time that a company is formed, it will most likely come with a standard set of Articles which may require amendment by the members to reflect local agreements and governance arrangements, as set out in the BID Proposal and/or business plan. Any subsequent changes to the Articles will require further ratification.

The Articles may also set out other matters such as the arrangements for annual meetings, appointment of Directors, approval of accounts etc.

TIPS

1

Review your Company Articles frequently.

2

Maintain a Members' register (note: Levy Payers are not automatically Members).

3

Appreciate that the role of the Directors is on behalf of the Members who, ultimately, maintain the Company and have the voting rights