



Responsibilities of Directors

Directors of companies, including both private limited companies (Ltd) and public limited companies (Plc) are responsible for the management of their companies. This means that they must act in a way most likely to promote the success of the business and benefit its shareholders. They also have responsibilities to the company's employees, its trading partners and the state.

In particular, as a director of a limited company, the law says you must:

- try to make the company a success, using your skills, experience and judgment
- follow the company's rules, shown in its articles of association
- make decisions for the benefit of the company, not yourself
- tell other shareholders if you might personally benefit from a transaction the company makes
- keep company records and report changes to Companies House and HM Revenue & Customs
- make sure the company's accounts are a 'true and fair view' of the business' finances
- register for Self-Assessment and send a personal Self-Assessment tax return every year

You can delegate to others some of these tasks on a day to day basis. For example, an accountant can manage your accounts for you – however you are still legally responsible for them.