

Companies Act 2006 - Headline changes

(as at December 2007)

April 2008

Company secretaries	
<ul style="list-style-type: none"> Private companies need not have a company secretary, although they may retain one if they wish. Public companies must still have a secretary 	ss270 - 271
Execution	
<ul style="list-style-type: none"> Company can execute a deed by single director in presence of witness (in addition to execution by affixing seal or by two authorised signatories) 	s44
Auditors and accounts	
<ul style="list-style-type: none"> Auditors able to limit their liability by agreement with company (provided fair and reasonable) 	ss534 - 538
<ul style="list-style-type: none"> Period for filing accounts reduced from 10 months to 9 months for private companies and from 7 months to 6 months for public companies 	s442
Distributions in kind and offer of shares to public	
<ul style="list-style-type: none"> Company with distributable profits (of £1 or more) can lawfully transfer asset intra-group at book value even if less than market value – value of distribution is zero 	s845(2)(a)
<ul style="list-style-type: none"> Company with distributable profits can transfer asset intra-group at less than book value if it has distributable reserves to cover shortfall between consideration and book value 	s845(2)(b)
<ul style="list-style-type: none"> Company without distributable profits cannot lawfully make an intra-group asset transfer at an undervalue 	s845
<ul style="list-style-type: none"> Private company will no longer commit offence if it offers securities to public – instead, it may be compelled to re-register as public company or be wound up or suffer "remedial order" 	ss755 - 759

October 2008

Directors	
<ul style="list-style-type: none"> Codification of directors' duties relating to conflicts of interest – new ability for independent directors to approve a director's conflict of interest 	s175
<ul style="list-style-type: none"> Companies must have at least one director who is a natural person 	s155
<ul style="list-style-type: none"> Minimum age of 16 years for directors of all companies (age limit of 70 for directors of public companies repealed on 6 April 2007) 	s157
Financial assistance	
<ul style="list-style-type: none"> Prohibition on giving of financial assistance by private company for purchase of its shares and whitewash procedure abolished 	ss677 - 680
<ul style="list-style-type: none"> Prohibition retained for financial assistance given by public company (or by subsidiary (public or private) of public company for acquisition of shares in public company) 	ss677 - 680
Reduction of capital	
<ul style="list-style-type: none"> New solvency statement procedure for reduction of capital by private companies with share capital – alternative to court approved procedure which will remain 	ss642 - 644
<ul style="list-style-type: none"> No longer requirement for specific authorisation in private company articles to reduce share capital – private company can reduce its capital unless specific restriction in articles 	s641(1)(a)

October 2009

Directors	
<ul style="list-style-type: none"> Directors' service address (for public record) as well as residential address filed at Companies House. Directors' residential addresses kept on separate and secure register 	ss163 - 167 & ss240 - 246
<ul style="list-style-type: none"> No longer requirement to file details of other directorships at Companies House 	s163

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Share capital	
■ Removal of concept of authorised share capital	
■ No authority to allot shares required for private company with only one class of shares (unless articles require it)	s550
■ Company may re-denominate share capital into foreign currency, by ordinary resolution unless articles restrict this power or require a higher majority	s622
■ No longer requirement for specific authorisation in public company articles to reduce share capital – public company can reduce its capital unless specific restriction in articles	s641(1)(b)
Shareholders	
■ A single member may form a public company	s7
■ Members' addresses no longer needed in annual return (except for members holding 5% or more in listed companies)	ss855 - 856
Company capacity and constitution	
■ Company's objects treated as moved into articles. Objects of new companies will be unrestricted unless articles provide otherwise. General commercial objects of existing companies treated as restriction on company's objects	ss28 & 31
■ Memorandum will be historical document relating to formation	s8
Striking off and restoration to register	
■ Voluntary application for strike off extended to public companies	s1003
■ Time limit of 6 years from dissolution for court application for restoration	ss1029 - 30
■ New procedure – company may be restored by Companies House without court application	ss1024 - 28

Further information

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