



Companies Act 2006

Companies Act 2006: Are you aware that.....?



- Private companies no longer need to hold Annual General Meetings
- Companies now only need to give 14 days notice, rather than 21 days notice, of a special resolution to be proposed at a general meeting
- 90% of shareholders holding voting shares can now consent to short notice of a meeting
- A company no longer needs to set out its objects in its memorandum and can have unrestricted objects
- A company no longer needs an authorised share capital
- The directors of a private limited company with one class of shares no longer need to be pre-authorised by the members to allot shares? Existing companies only need to pass an ordinary resolution to sanction such allotments
- A private company can now issue redeemable shares, effect a reduction of capital and purchase its own shares, unless this is otherwise restricted by its articles
- A private company no longer needs a company secretary
- There is no longer any such thing as an extraordinary general meeting
- Shareholders can appoint more than one proxy at a general meeting (provided that each proxy is appointed in relation to different shares or different £10, or multiples of £10, of stock)
- You can now pass a written special resolution with a 75% majority and a written ordinary resolution with a simple majority of those eligible to vote
- A board of directors can now sanction a director's conflict of interest, provided that (if you are an existing private company incorporated on or after 1 October 2008) there is nothing prohibiting this in your company articles or (if you are an existing private company incorporated prior to 1 October 2008) a resolution of the members authorises this or (if you are a public company) your articles expressly permit this

If you didn't know, your company's articles of association may not reflect these changes. At worst, your articles may conflict with the new provisions introduced by the Companies Act 2006 (the Act) which may affect the operation and validity of your articles. At best, you may be failing to take advantage of the greater simplification and flexibility offered by the Act.

If you would like help in updating your existing articles or in adopting new articles, please contact us on 0161 708 8384 or info@formationsdirect.com