



Companies Act 2006

The final provisions of this Act come into force on 1 October 2009.

Overall the Act has given much greater powers to Directors and taken those powers away from shareholders. However Directors and Company Secretaries are subject to criminal proceedings for non-compliance in many instances which previously were only subject to penalties or civil proceedings.

Unless your company has the Table A provisions of the Act (companies formed since the Act was first published are likely to comply), you will need to amend your Articles of Association to adopt the new provisions. We can assist you with this.

Remember a person does not have to be appointed a director to be treated as a Director (especially if things go wrong). If you act as a Director, e.g. by effectively controlling what a Director does in any way, you are treated as being a Director.

Private companies no longer need hold meetings, when you do they are called General Meetings. Instead of meetings, resolutions can be Written Resolutions and sent to all shareholders for approval (or otherwise). Meetings only have to be held if the resolution is to remove a Director or Auditor, or the shareholders demand a meeting (5% if no meeting in last 12 months, otherwise 10%).

Directors' duties are spelled out in the Act and so are no longer Common law based.

Private Companies no longer need to have a Company Secretary, but in single director companies it is probably a good idea to retain the Company Secretary in case anything happens to the Director and there is no one to sign anything.

Minority shareholders can still only be effectively protected by a Shareholders Agreement.

All shareholders can appoint proxies to vote for them (more than one if they wish).

Need to retain all resolutions and Minutes of General Meetings for 10 years.

Majority required for passing resolutions:

Ordinary Resolution in General Meeting	50%
Ordinary Written Resolution	75%
Special Resolution in General Meeting	50%
Special Written Resolution	75%

All require Ordinary Notice (14 days) except Removal of Director or Auditor requires Special Notice (21 days).

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