



Companies House

— for the record —

Companies Act 2006

Resolutions & Meetings

GBA7

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BERR

Department for Business
Enterprise & Regulatory Reform

This guidance is available in alternative formats which include Braille, large print and audio tape. For further details please see our website –www.companieshouse.gov.uk or email our enquiries section at enquiries@companieshouse.gov.uk or telephone our contact centre on 0303 1234 500

When reading these guidance notes, you need to be aware of the following:

Some (but not all) of the provisions in the Companies Act 2006 have come into force. Therefore, some provisions in the Companies Act 1985 remain relevant. We have tried as far as possible to make it clear throughout these notes which Act applies. If you would like to find out more you may wish to visit our website at www.companieshouse.gov.uk/ where you can find out which provisions in the respective Acts are in force. Our website also contains a link to the BERR (The Department for Business, Enterprise and Regulatory Reform) website www.berr.gov.uk/bbf/co-act-2006/index.html where you can find further information. Some provisions in the new Act are subject to transitional arrangements. We will as far as possible explain these in this guidance and give details on our website.

There is one final stage in the implementation of the Companies Act 2006 scheduled for October 2009. We will update any guidance notes affected by those implementations at the time. You may wish also to keep an eye on our website where we will publish more information as the implementation process continues so you can access the most up to date information.

Until October 2009, these guidance notes apply only to companies formed in Great Britain (England, Wales and Scotland). The separate system in Northern Ireland is then scheduled to merge into a single system for the whole of the United Kingdom.

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This is a guide only and should be read with the relevant legislation.

Please note:

Transitional guidance relating to resolutions and meetings.

Part 13 (resolutions and meetings) of the Companies Act 2006 was implemented on 1 October 2007. Transitional arrangements have been made to cover the period between October 2007 and September 2009, after which all of the Act will be in force. These are detailed below:

Section 379A of the Companies Act 1985 – Elective resolution of a private company under section 80A of the 1985 Act (Election by private company as to duration of authority to allot shares) will not be repealed in October 2007 as a resolution under section 80 of the 1985 Act conferring authority to allot shares can still be passed for this purpose. This will be in place until Part 17 (A company's share capital) is implemented in October 2009.

Between October 2007 and September 2009, a company will be able to pass an elective resolution for duration of authority to allot shares as a written resolution or at a meeting; such a resolution will still require the unanimous agreement of those eligible to vote.

Private companies are required to hold an AGM if the notice is given before 1 October 2007. After that date, if notice has not been given before that date, private companies are no longer required to hold AGMs unless it is stated in the company's articles that they are required to do so and they have not removed that provision from their articles.

Also, if the company articles state that the accounts must be circulated at an AGM the company must continue to do so for all financial periods ending before 1 October 2007. However, a company may choose to default to electronic communications if the shareholders agree and the articles are amended. If a company already has the agreement of each shareholder they may circulate the annual report and accounts to the shareholders via their website.

Introduction

This is a guide about different types of company resolution and when they are passed. It aims to explain the differences between resolutions for private and public companies

This is one of a series of Companies House guides which provides a simple guide to the Companies Act and other related legislation.

Please note that this is only intended as a brief introduction to the subject, so you should read it in conjunction with the relevant law, which you will find in the Companies Act 2006 Part 13.

Under the Companies Act 2006 private companies will no longer be required to hold annual general meetings. However, the shareholders will still be involved in the decision making process of the company.

The Act was drafted so many of these decisions can be made by written resolution although the company will still need to hold meetings to dismiss a director or remove an auditor before the end of his term of office. The shareholders and directors also still have the power to call a meeting.

The effect of the new provisions is dependent on what is currently in a company's articles. An existing private company would need to pass a special resolution to remove any existing clauses regarding annual general meetings from its articles. Notice must be circulated to the members before it could be passed or agreed to.

Chapter 1

Resolutions - the basics

1. What is a resolution?

A **resolution** is an agreement or decision made by the directors or members (or a class of members) of a company.

A **proposed resolution** is a motion.

When a **resolution** is passed a company is bound by it.

2. How are resolutions passed?

Depending on the type of resolution being proposed, members will vote for or against the resolution. The member's voting power will usually depend on the number of shares he owns: in most cases, a member who owns 10% of the shares has 10% of the votes. The resolution is passed when the pre determined majority is reached. If the necessary majority is not obtained, then the proposed resolution fails.

3. Who is entitled to vote?

The company's articles of association may state the conditions on members voting rights but generally a member will have the same number of votes whether passing a resolution in a poll at a general meeting or on a written resolution. If the member is unable to be present at the meeting they may appoint a proxy to vote for them. In the case of joint holders of shares it is the vote of the holder named first in the register that will be counted, unless the company's articles say something different.

4. Who must receive copies of the resolution before and after approval?

Notice of the intention to propose a resolution must be circulated to company members. If a company has auditors, they must also be sent copies - or otherwise notified of the contents - of all proposed resolutions. Resolutions that are required to be filed with the Registrar at Companies House must be forwarded within 15 days of the resolution being passed or made.

Chapter 2

Private companies

1. Private companies and the passing of resolutions

A **private** company can pass a resolution either by the required majority of members agreeing to a written resolution or by a vote taken at a meeting of the members.

The Companies Act 2006 has the effect that **private** companies are no longer required to "elect" to dispense with holding Annual General Meetings (AGMs) as they are not required to hold them. New provisions regarding written resolutions have been made for private companies to make decisions, which enable them to dispense with meetings altogether, except for two limited purposes (see below).

Private companies can only pass resolutions by:

- A written resolution, this can be circulated and agreed to electronically or by hard copy; or
- At a meeting of members.

2. Written resolutions (private companies)

Private companies can pass all resolutions as written resolutions except:

- A resolution to remove a director, and
- A resolution to remove an auditor

These resolutions need to be passed at a general meeting.

Chapter 3 Public companies

1. Public companies and the passing of resolutions

A **public** company can only pass a resolution by a vote being taken at a meeting of the members. A public company cannot pass a written resolution.

Public companies can only pass a resolution at a general meeting of the members (or shareholders), which may be the AGM.

2. What records of resolutions and meetings does the company need to keep?

The company must keep minutes of all proceedings at general meetings or decisions made by a sole member. They must also keep copies of all resolutions of members passed other than at general meetings. These records must be kept for 10 years and need to be available for inspection by members on request.

3. Resolutions at meetings

Private companies are no longer required to hold Annual General Meetings (AGMs). Public companies are still required to hold AGMs within 6 months of their financial year ends (transitional period October 2007 – September 2008 will be 7 months) in addition to any other meetings held during that period.

The vote on a resolution in a general meeting (or in a meeting of a class of members) is by a show of hands, unless a poll is legitimately called for. A declaration by the chairman that the resolution is carried on a show of hands is all that is required for a resolution to be passed: but this does not apply if a poll is called for. The number of votes for or against on a show of hands need not be counted.

A general meeting of a company must give a minimum notice of 14 days. In the case of a public company AGM, a minimum of 21 days, unless the company's articles specify a longer period of notice. A general meeting may be called at shorter notice, with a majority of 90% of the voting rights in the case of a private company and 95% in the case of a public company. This does not apply to AGMs of a public company, where unanimity is required. Notices for public company AGMs must state that the meeting is an AGM.

Notice of a meeting can be given:

- by electronic form;
- in hard copy form;
- by means of a website, or
- a combination of any of the above

The notice must state the time, date and location of the meeting and any resolutions to be agreed.

Chapter 4 Further information

1. Further information on resolutions

More information on resolutions and meetings can be found in the Companies Act 2006 Part 13, or at the following websites:

www.berr.gov.uk

www.companieshouse.gov.uk

2. How do I send information to the Registrar?

You may deliver documents to the Registrar by hand (personally or by courier), including outside office hours, bank holidays and weekends to Cardiff, London and Edinburgh.

You may also send documents by post or by the Document Exchange service (DX). If you send documents, please address them to:

For companies incorporated in England & Wales:	For companies incorporated in Scotland:
The Registrar of Companies Companies House Crown Way Cardiff CF14 3UZ DX33050 Cardiff 1	The Registrar of Companies Companies House 4th Floor Edinburgh Quay 2 139 Fountainbridge Edinburgh EH3 9FF DX ED235 Edinburgh 1 or LP-4 Edinburgh 2

If you are sending documents by post, courier or Document Exchange (DX) and would like a receipt, Companies House will provide an acknowledgement if you enclose a copy of your covering letter with a pre-paid addressed return envelope. We will barcode your copy letter with the date of receipt and return it to you in the envelope provided. Please note: an acknowledgement of receipt does not mean that a document has been accepted for registration at Companies House.

Please note: Companies House does not accept accounts or any other statutory documents by fax.

3. Can I file documents in other languages?

Usually, you must file documents sent to Companies House in English. There are exceptions as detailed below. You can draw up and deliver documents relating to Welsh companies in Welsh.

Companies can deliver the following documents in other languages if the document is accompanied by a certified translation into English:

- Resolutions and agreements affecting a company's constitution;
- Contracts relating to the allotment of shares for a consideration other than cash;
- For companies included in accounts of larger EEA or non-EEA groups, the group accounts and parent undertaking annual report; and
- Charge instruments (or copy charge instruments).

In addition companies may also file voluntary certified translations of any document subject to the First Company Law Directive disclosure requirements. These are:

- Constitutional documents such as the memorandum and articles of association;
- Directors appointments, changes in particulars or terminations;
- Accounts, reports and annual returns;

- Notification of any change in a company's registered office;
- Winding up documents;
- Share capital documents (public companies only);
- Documents relating to mergers and divisions (public companies only); and
- Documents relating to overseas companies.

The voluntary translation must relate to a document delivered to Companies House on or after 1 January 2007. Voluntary translations can only be filed in an official language of the European Union and must be accompanied by Form 1106.

4. Where do I get forms and guidance?

This is one of a series of Companies House guidance which provide a simple guide to the Companies Act.

Statutory forms and guidance are available, free of charge from Companies House. The quickest way to get them is through this website or by telephoning 0303 1234 500.

Forms can also be obtained from company law stationers, accountants, solicitors and company formation agents - addresses in business phone books.

how to contact us

Contact Centre: 0303 1234 500*
Mini-com: 029 2038 1245
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www.companieshouse.gov.uk

*For training and quality purposes
your call may be monitored

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139 Fountainbridge
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