

Companies Act 2006 - 1st October 2007 Implementations

Restriction of access to the Register of Members

This restriction applies to all external requests to view the register of members held by the company.

Following a request to see the Register of Members, the company can ask for the applicants name and address (or if an organisation, an individual's name, plus the purpose, and if the information will be disclosed to anyone else. It is an offence to make a false statement when providing the details required for disclosure.

The company must either comply with the request immediately or they can apply to the courts to restrict the access to the Register.

To take advantage of the change in shareholder disclosure at Companies House, a company can, after 1st October 2007, change its made up date and file an annual return with the shareholders names and addresses (under the 1985 legislation) within 28 days of that new date. The company's next annual return filed after 1st October 2008 will comply with the 2006 legislation and not require the shareholders addresses only names, unless the shareholder is of a PLC and holds more than 5% of the shares. In this case an address is needed.

The Business Review and Directors Report

The Directors Report in the accounts must contain a Business Review. This applies to all companies, apart from companies that file small company accounts.

The Business Review will apply to all accounts with reporting periods beginning on or after 1st October 2007.

A Business Review is a fair review of the company's business within the reporting period. It must be a balanced and comprehensive analysis of the development and performance for the company, with a description of the principal risks. (See Section 417 of the Companies Act 2006).

Table A

The current version of Table A will be amended from 1st October 2007 to include the new directors' duties and changes to resolutions and meetings.

Directors' general duties to their companies are, for the first time, comprehensively set out in the Companies Act 2006. The general duties of directors have been developed as until now they were in case law. See the BERR website for further guidance.

Chapter 2 of Part 10 of the Companies Act 2006 on Directors Duties is being implemented on 1st October 2007 but this excludes 'Conflicts of Interest duties'.

Resolutions Part 13

Part 13 on Resolutions comes into force on 1st October 2007.

Written resolutions will no longer need to be signed by all the shareholders. Instead, the required majority will be similar to that for shareholders meetings – a simple majority of eligible shares for ordinary resolutions, or 75% for special resolutions.

Auditors are still entitled to receive all communications that go to members in connection with written resolutions.

Private companies will no longer hold an annual general meeting. Shareholders can demand a meeting if at least 10% (5% in certain circumstances) wish to. Shareholders will still have the right to receive accounts.

Shareholder meetings for private companies can now all be on a 14 notice period, unless different arrangements are specified in a company's Articles.

Form 318

Form 318 will continue to be used to notify the location of director's service contracts under new section 228, and directors indemnities under 237 until 30th September 2008. However the notification should only be used when the register is returning to the registered office, as regulations under 1136 (single alternative inspection location) are introduced on 1st October 2008.

