

to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

In this regulation and the next, 'address', in relation to electronic communications, includes any number or address used for the purposes of such communications.

113. A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

114. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

115. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

116. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

## Winding up

117. If the company is wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

## Indemnity

118. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

# Index

- 25% rule for public companies 229
- abbreviated accounts 17–19, 25, 514–15
- abuse of procedure 318–20
- abuse of the corporate form 33–4
- accountability of administrators 568–9
- accountants 356
- accounting records, failure to keep 422–3
- accounting reference dates (ARD) 507–8
- accounting reference periods (ARP) 507–8
- accounting standards 197–8, 266
- accounts 503–4
  - abbreviated 17–19, 25, 514–15
  - annual 507–10, 513–14, 515
  - approval 510
  - content 508–9
  - distributions 200
  - dividends 203
  - dormant companies 24
  - exemptions 17–19
  - failure to file 516
  - failure to keep 507
  - filing 513, 514–16
  - form 508–9
  - formats 22, 24
  - groups *see* groups
  - guarantee, companies limited by 28
  - individual 508–9
  - interim 203
  - laying before companies in general meetings 364, 439, 516–17
  - limited liability partnerships 46
  - medium sized companies *see* medium sized companies
  - notes to accounts 509–10, 511
  - preparation 408–9
  - private companies 507, 513
  - public companies 507, 513
  - publication 513–14
  - records 506–7
  - retention of records 507
  - signing 510
  - small companies *see* small companies
  - statutory 513–14
  - summary financial statements 513
  - true and fair view 509, 510, 521
  - unlimited companies 28, 29
  - see also* auditors; audits; balance sheets; Financial Reporting Standards; International Accounting Standards; profit and loss accounts
- acquisitions 265
  - reverse 547
  - see also* mergers; takeovers
- administration 487–8, 553, 554, 562
- administrators
  - accountability 568–9
  - appointments 417–18, 563–9
  - court appointments 563–5
  - duties 569
  - expenses 568
  - functions 562–3
  - legal consequences of appointment 570–2
  - out of court appointments 565–9
  - powers 568
  - proposals 567–8
  - replacement 570
  - single statutory purpose 562–3
- company voluntary arrangements *see* company voluntary arrangements
- creditors
  - administrators' accountability to 568
  - administrators' functions 562–3
  - preferential 562, 568
  - secured 562, 563, 568
  - unsecured 568, 570
- directors
  - appointment of administrators 566–7
  - powers 572
- employees
  - claims 568, 570
  - contracts of employment 572–4
  - dismissal 572
- exit from
  - automatic cessation 569
  - creditors' voluntary winding-up 569

- dissolution 569
- extension of appointment 569
- termination through notice to Registrar of Companies 569
- fixed charges and 572
- floating charges and 492, 568, 572
- foreign companies 597–8
- hire-purchase and 572
- legal consequences 570
  - contracts 472
  - directors' powers 572
  - employees 572
  - landlords' rights of forfeiture 571
  - rescue schemes and 571–2
  - suspension of rights 571
- members
  - administrators' accountability to 568
  - pension schemes 568, 570, 573–4
  - qualifying floating charge holders (QFCH) 563–4, 565–6
  - qualifying liabilities 572
  - restriction orders 565
  - ring-fencing mechanism for unsecured creditors 570
  - statements of affairs 567
  - timetable of major events 569
- administrative receivers 486–7, 492, 417–18, 564, 578
- administrative restoration 590–1
- administrators *see* administration
- age
  - directors' disqualification requirements 419
  - limits, directors 339
- agencies
  - dormant companies 25
  - groups of companies 37
  - holding out 134–8
  - limited liability partnerships 45
  - partnerships 43, 50
  - promoters as quasi-agents 59
- agents
  - directors and others as 130–40
  - liquidators as 602
- aggregate, corporations 6–13
- AGM (annual general meetings) *see* meetings
- AIM *see* Alternative Investment Market
- allotments of shares *see* shares
- alternate directors 338–9
- Alternative Investment Market (AIM) 179–80, 217, 220–1
- amalgamations 532–4
  - compromises with creditors, debenture holders or members 536–8
  - insolvency 534, 535
  - meaning 534
  - see also* mergers; takeovers
- annual accounts *see* accounts
- annual returns 283–4
- applications for listing 212–13
- appointments
  - administrative receivers 417–18, 486–7
  - administrators 417–18, 563–9
  - auditors 516–17
  - company secretaries 355
  - company voluntary arrangement nominees 555
  - directors *see* directors
  - liquidators 582, 584, 595, 596, 600–1
  - receivers 486
- ARD (accounting reference dates) 507–8
- ARP (accounting reference periods) 507–8
- arrangements 185, 533–4, 536–8
  - see also* company voluntary arrangements
- articles of association 93–5
  - alteration 114–26, 145–6, 347, 348
  - amalgamations 533
  - arrangements 533
  - auditors' familiarity with 521
  - audits 23, 24
  - company secretaries 354–5
  - compromises 533
  - as contracts 99–100
  - default 66, 94
  - directors 334, 336–42, 346–52, 360–2, 366, 412–15, 418–19, 477
  - dividends 202–4
  - division of powers 96–8
  - electronic communications 472
  - entrenched provisions in 116, 146
  - incorporation 66
  - insider rights 100, 103–7
  - legal effect 98–102
  - majority shareholders 116, 120–1
  - meetings *see* meetings
  - minority shareholders 116, 120–1, 290
  - Model Articles 95, 618–63
  - objects clauses 85
  - outsider rights 100, 103–7
  - profits capitalisation 206
  - reconstructions 533
  - reduction of capital 163
  - reserves 207

- articles of association (*continued*)
  - resolutions 116
  - shares *see* shares
  - Table A 95, 664–81
  - third party rights and 107–8
- assets
  - accounting records 506
  - collection by liquidators 603–4
  - distributions 26, 610–11
  - net 183
  - non-cash 26, 539
  - ownership 226
  - revaluation 199
  - swelling by liquidators 604–5
- assistant secretaries 356
- associated companies 369
- Auditing Standards 525
- auditors
  - appointments 516–17
  - care, duties of 520–3, 524–5
  - disclosures to, directors' statements of 512
  - distributions 200–1
  - duties 190, 519, 520–23, 524–5
  - financial assistance for acquisition of own shares 190
  - information from employees 519–20
  - liabilities
    - breach of duty 525
    - capping 527
    - in contract 523
    - damage 525–6
    - disclaimers 526–7
    - duty of care 524–5
    - exclusion of, developments in 526–7
    - negligent misstatements 524–5
    - by statute 523
    - in tort 523
  - limited liability partnerships 47
  - negligence 250, 521, 523, 524
  - notice requirements 517–18
  - powers 519
  - public companies 516–18
  - removal 517–18
  - reports 19, 507, 513–16, 519
  - re-registration 72
  - resignation 518
  - resolutions and 470
  - rights 519
  - share valuations 521
  - skills 520
  - stocktaking and 521–2
  - term of office 517
  - warnings from 428
- audits 503–4
  - annual accounts 507
  - articles of association 23, 24
  - directors' remuneration reports 364
  - distributions 200–1
  - duties of auditors 519
  - exemptions 22, 72, 507
  - guarantee, companies limited by 28
  - medium-sized companies *see* medium-sized companies
  - purpose 516
  - relevant audit information 520
  - small companies *see* small companies
  - unlimited companies 29
- authorised share capital 87–8
- bailments 489–90
- balance sheets 18, 19, 507, 509, 510–11, 514–15
- bankruptcy 254–5, 339–40, 419, 430, 482
- banks, charges over customer deposits 493
- bearer debentures 480–1
- boards of directors *see* directors
- bona fide* purchasers for value 235
- bona vacantia* 255, 586, 587, 591
- bonus shares 147, 185, 206
- book debts 484, 485–6, 489, 493
- borrowing 477
  - see also* charges; credit transactions; debentures; loans, quasi-loans
- breaches of company law 420
- breaches of contract 123–5
- breaches of duty 525
- brokerage 220
- brokers 245
- Bullock Report 5
- burden of proof, market abuse 170–1
- business reviews 511–12
- calls on shares 233–4
- capacity 86, 276–7
- capital
  - losses 196
  - maintenance 60, 161–2
    - dividends and distributions *see* distributions; dividends
    - purchase of own shares *see* own shares
    - reduction of capital *see* reduction of capital
  - preservation provisions 177

- profits 196
  - see also* share capital
- capital redemption reserves (CRR) 157, 177–8, 197, 207
- capitalisation of profits 206
- care, duties of
  - auditors 520–3, 524–5
  - company accountants 356
  - directors 389–93
  - promoters 59
- cash flow statements 19
- centrebinding 584, 603
- centres of main interests 89, 597, 598–9
- certificates of incorporation 13
- chairmen 351, 450, 451–2, 453
- charges 476, 484
  - BIS consultation 499
  - companies' registers 496
  - invalidation on winding-up 608–10
  - limited liability partnerships 47
  - registration 492–5, 499
  - see also* debentures; fixed charges; floating charges; liens
- charities 87
- Chartered Directors 337
- City Code on Takeovers and Mergers 539–49
- class rights 145–6, 151–5, 163–4
- classification of companies 12–29
- classification of corporations 5–13
- collateral companies, conduct in 422
- Combined Code 443
- commission 219–20
- common seals 230
- Companies House *see* Registrar of Companies
- company accountants 356
- company rescue
  - no inhibition 571–2
  - see also* administration; company voluntary arrangements
- company secretaries 72, 354–6, 421
- company voluntary arrangements (CVA) 553
  - approvals 555–6, 560–1
  - creditors 554
    - approvals 555–6
    - binding 556, 560–1
    - dissenting 556
    - meetings 555, 558, 560
    - moratoria effects on 558–9
    - preferential 554, 556, 560
    - secured 556, 560
    - trading continuing 561–2
  - directors 554, 555, 558, 561
  - foreign companies 597–8
  - liquidation, subsequent 557
  - members
    - approvals 555–6
    - dissenting 556
    - meetings 555, 558, 560
  - nominees 555–7, 558–60
  - small companies with moratoria options 557–61
  - statements of affairs 555
  - supervisors 557
- compensation
  - loss of office, directors 367–8
  - unfair dismissal 611
- competing businesses of directors 396–7
- competition
  - takeovers and 534
  - violations 430
- Competition Commission 534–5
- compromises 185, 533–4, 535, 536–8
- compulsory winding-up *see* winding-up
- conduct
  - directors and officers, examinations on winding-up 605
- conflicts of interests 393–402, 463–4
- connected persons 369, 372, 374
- conscience, freedom of 434
- consent, unanimous, *Duomatic* principle 469
- consolidated balance sheets 510–11
- consolidated profit and loss accounts 510–11
- consolidation of capital 155
- constitutions
  - resolutions 94
  - shareholder agreements 94, 103, 108–11
  - see also* articles of association; memoranda of association
- contingencies 198
- contracts
  - administration and 472
  - auditors' liabilities in 523
  - breaches of 123–5
  - directors *see* directors
  - directors and others as agents 130
    - boards' collective acts 130–4
    - defective authority 139–40
    - employees 138–9
    - forged documents 139
    - individual directors' acts 134–8
    - insiders 140
    - non-executive directors 138–9
    - officers' acts 134–8

- contracts (*continued*)
  - of employment *see* employment contracts
  - memoranda and articles as 99–100
  - minority shareholders 289, 290
  - pre-incorporation 61–5
  - public companies and s 761 certificates 129–30
  - of service, directors *see* directors: contracts
  - for services, directors 343, 362
  - third party rights under 63, 65
- contributories 585, 594–5, 604
- control
  - of companies' business by directors 347–8
  - internal 5
  - by wrongdoers 296–8
- convertible debentures 478
- Cork Report 5
- corporate veil, lifting 12, 13, 30–42
- corporate claims, winding-up 605
- corporate governance 362, 443
- corporations aggregate 6–13
- corporations sole 5–6
- costs, winding-up 610
- credit transactions 26, 368–9
- creditors
  - administration *see* administration
  - administrative receivers and 417
  - arrangements with 536–8
  - buffer 156–7, 195
  - company voluntary arrangements *see* company voluntary arrangements
  - compromises with 535, 536–8
  - compulsory winding-up 595, 611
  - damages entitlements 609–10
  - debentures 482–3
  - demand by 593–4
  - directors' personal liabilities and 429
  - dissenting
    - company voluntary arrangements 556
    - purchase of own shares 176
  - fixed charges and 485
  - fraudulent trading and 424–5
  - interests 388–9
  - judgment 236, 491–2, 594
  - meetings 536–7, 555, 558, 560, 582, 583–5, 600, 611
  - moratoria effects on 558–9
  - preferential
    - administration 562, 568
    - company voluntary arrangements 554, 556, 560
    - fixed charges and 485
    - floating charges and 487–8, 554
    - proof of debts 606–7
    - purchase of own shares and 176
    - reconstructions and 532
    - reduction of capital and 163–6
    - rights of 585
    - secured 556, 560, 562, 563, 568, 608, 610
    - unfair prejudice 326–8
    - unsecured 485, 568, 570, 610
    - winding-up *see* winding-up
- creditors' voluntary winding-up *see* winding-up
- CREST 231, 245–6, 456
- criminal offences
  - accounts 507
  - annual returns 284
  - audits 519, 520
  - company secretaries 354
  - company voluntary arrangements 559
  - co-operation with liquidators 604
  - insider dealing 269
  - Listing Rules 214
  - market abuse and 270–1
  - members 278
  - purchase of own shares 171, 176, 181, 187–90
  - reduction of capital 166
  - restoration of companies to register 590
  - solvency, declarations of 599
  - striking off 581
  - takeovers 539, 541, 543
- Crown preference abolition 568, 570
- CRR *see* capital redemption reserves
- crystallisation of floating charges 486–7
- cum*-dividend sales and purchases 203
- custodian brokers 245
- CVA *see* company voluntary arrangements
- de facto* directors 334, 335
- death of holders in joint accounts 248
- debentures 476–7
  - bearer 480–1
  - charges for securing issues of 493
  - convertible 478
  - creditors 482–3
  - definition 477
  - discounts, at 263–4, 478, 481–2
  - fixed charges 499
  - holders 478, 479
    - compromises with 536–8
    - meetings of 536–7
  - irredeemable 479, 481

- issue by companies 481–2
- limited liability partnerships 47
- pari passu* ranking 478
- perpetual 481
- redeemable 479–80
- registered 479, 482
- reissue 480
- secured 479, 499
- stock 478–9, 482–3
- transfers 482
- transmission 482
- trust deeds 480, 482–4
- unsecured 479, 480
- debts
  - specialty 234
  - on winding-up *see* winding-up
- deceptive statements *see* false or misleading statements
- declarations of dividends 201–2
- declaratory judgments 299
- defective authority 139–40
- deferred debts 607, 611
- defunct companies 585–6
- delegation 134–8, 349, 352
- demand by creditors 593–4
- dematerialisation, shares 245–6
- demergers 532, 535
- depreciation 196, 198, 199
- deputy secretaries 356
- deregulation of private companies 26
- derivative actions 299–308
- development costs 199–200
- diligence 389–93
- directors
  - abilities 427–8
  - abuse of power 84
  - administration *see* administration
  - age limits 339
  - as agents 130–40
  - alternate 338–9
  - appointment 25, 334, 336–45, 347, 351–2, 362, 412, 413
  - auditors, statements of disclosures to 512
  - bankruptcy 339–40
  - boards 334, 336
    - actions to avoid disqualification 428
    - appointment of directors by 337, 412
    - chairmen 351
    - collective acts 130–4
    - meetings 460–5
    - minutes 375, 460, 464–5
  - powers 346–7, 349
  - proper purpose rule 350–1
  - quorums 349–50
    - unable or unwilling to act 349–51
- committees of, quorums of one and 450
- company voluntary arrangements 554, 555, 558, 561
- compensation for loss of office 367–8
- competing businesses 396–7
- concurrent powers 347
- conflicts of interests 393–402, 463–4
- connected persons 369, 372, 374
- contracts 337–8
  - with companies 374–5
  - of employment 342–3
  - long-term 343
  - of service 335, 340–2, 344, 353–4, 361–3, 367–8
  - for services 343, 362
  - written, desirability of 343–4
- control of companies' business 347–8
- controlling members as employed directors 344–5
- corporate governance 362
- credit transactions 26
- curtailment of activities 5
- de facto* 334, 335
- dealings by 180
- declaration of interests in transactions or arrangements 403–5
- definitions 334–6
- delegation 134–8, 349, 352
- discrimination legislation 342
- dismissal 342, 345, 367, 415
- disqualification 340
  - accounting records, failure to keep 422–3
  - actions to avoid 428–9
  - age requirements 419
  - articles providing for 418–19
  - bankruptcy 419
  - breaches of company law 420
  - case law illustrations 421–4
  - collateral companies, conduct in 422
  - competition violations 430
  - on conviction of indictable offences 419–20
  - de facto* directors 334
  - director/secretaries 421
  - fraudulent trading 420, 424–5
  - inactive directors 422
  - leave to act while disqualified 431–2
  - mitigation pleas 423

- directors (*continued*)
  - nationality, residence and domicile 421
  - in other capacities 430
  - Secretary of State investigations 421
  - share qualifications not held 346, 419
  - undertakings 423–4, 432
  - unfitness 420–1
  - wrongful trading *see* wrongful trading
- duties 360
  - breaches 380, 405–6
  - care, skill and diligence, exercising 389–93
  - Companies Act 2006 codification 379
  - conflicts of interests, avoidance 393–402
  - creditors' interests and 388–9
  - declaration of interests in transactions or arrangements 403–5
  - employees' interests and 386–8
  - fiduciary 349, 374, 380, 396, 397–402
  - general, scope and nature 379–80
  - independent judgment, exercising 389
  - ministerial guidance 406–7
  - personal profits, accounting for 394–402
  - powers, acting within 380–3
  - success of companies, promotion of 383–9
  - third party benefits, non-acceptance of 403
  - winding-up and 387–9
- employment law 340–5
- executive 340, 343–4, 352, 391, 416
- fair dealing by 190, 359–60, 368–75
- financial arrangements with 359–68
- good faith 130–1, 134
- holding out 134–8
- human rights and 432–4
- inactive 422
- indemnities by companies 405
- independent 351
- independent judgment, exercising 389
- interests
  - conflicts of 393–402, 463–4
  - declaration in transactions or arrangements 403–5
- irregular acts 348–9
- liabilities 131
  - on insolvency 41–2
  - purchase of own shares 179
  - see also* personal liabilities *below*
- loans 26, 368–73
- loss of office, compensation for 367–8
- managing 347, 352
- material interests 372–5
- members 282
- negligence 391–3, 425
- non-executive *see* non-executive directors
- outside 351
- personal liabilities
  - acting while disqualified or bankrupt 430
  - fraudulent trading 424–5
  - phoenix syndrome 431
  - National Insurance contributions, failure to pay 431
  - as signatories 431
  - wrongful trading 424–9
- personal profits, accounting for 394–402
- powers
  - administration 572
  - on administrators' or administrative receivers' appointments 417–18
  - duties to act within 380–3
  - members and, division of powers 346–51
  - on winding-up 416–17, 582, 584, 597
- proper purposes doctrine 133–4, 350–1
- publicity 353–4
- qualifications 337
- quasi-loans 26, 368–73
- redundancy 342, 344
- re-election 412
- registers of 353
- related arrangements 370
- removal 342, 348, 367–8, 413–16
- remuneration
  - articles of association 360, 366
  - contracts of service 361–3
  - disclosures 363–5
  - dividends 195, 204
  - fees 360–1, 363
  - listed companies 363–5
  - managing directors 347, 352
  - national minimum wage 365–7
  - quantum meruit* 361
  - reporting on 363–5
  - waivers of 363
  - winding-up, ranking in 361
- remuneration reports 515
- reports 17–19, 24, 363, 507, 511–13, 514–15, 520
- resignation 341, 367–8, 397–402, 412, 416, 428–9
- retirement 367
  - by rotation 412
- shadow 302, 335–6, 353, 372, 424–5
- shares
  - allotments 227
  - interests in 353



- purchase of 282
  - qualification and disqualifications 346, 419
- sole 412, 413
- substantial property transactions 375
- takeovers 541, 547–8
- unfair prejudice 325
- vacation of office 411–12
  - administrators' or administrative receivers' appointments 417–18
  - disqualification *see* disqualification *above*
  - expiration of periods of office 412–13
  - removal *see* removal *above*
  - resignation *see* resignation *above*
  - winding-up 416–17
- vetos on transfers of shares 243
- winding-up *see* winding-up
- wrongful trading 391–2
- disability discrimination 460
- disclaimers by liquidators 609–10
- Disclosure and Transparency Rules (DTR), FSA 212, 282–3
- discrimination 342, 433, 460
- dismissal
  - directors *see* directors
  - employees 572, 597
  - some other substantial reason 342
  - unfair 342, 345, 416, 611
  - wrongful 342, 345, 416
- disqualification
  - acting in capacities other than directors 430
  - directors *see* directors
  - limited liability partnerships members 47
- dissolution
  - administration exit 569
  - administrative restoration 590–1
  - on compulsory winding-up 611
  - creditors' voluntary winding-up 585, 611
  - limited liability partnerships 45
  - on members' voluntary winding-up 611
  - partnerships 2, 44
  - restoration to register by court orders 588–91
  - striking off at instigation of Registrar 585–6
  - voluntary winding-up and 579, 611
- distributions 194–5
  - assets 26, 185, 610–11
  - audit considerations 200–1
  - insurance companies 200
  - investment companies 200
  - meaning 195
  - profits 26
  - available for distribution 195–7
  - realised 197–200
- reductions of capital 167
- relevant accounts 200
- treasury shares and 180
- unlawful, consequences 204–6
- dividends
  - declarations 201–2
  - equalisation 207
  - failing to declare 204
  - forfeited 203
  - interim 202–3
  - liens attaching to 237
  - mortgaged shares 235
  - ordinary 147
  - payment 195, 202–4
  - preference 147–9
  - share warrants 233
  - treasury shares and 180
  - unclaimed 203
  - warrants 203
- division of companies 532
- division of powers 96–8
- domicile, directors' disqualification 421
- dormant companies 22, 23–5, 507
- DTR (Disclosure and Transparency Rules), FSA 212, 282–3
- Duomatic* principle of unanimous consent 469
- East India Company 3
- EGM (extraordinary general meetings) 440
- electronic communications 69, 456–7, 468, 471–3
- employees
  - administration *see* administration
  - company secretaries 355
  - contracts on behalf of companies 138–9
  - human rights 433–4
  - information and consultation requirements 29
  - information to auditors 519–20
  - insolvency of employers, protection on 488–9, 611
  - interests directors' duties and 386–8
  - participation 5
  - share schemes 186
  - winding-up and 582, 584, 597, 607–8
- employment contracts
  - administration and 572–4
  - company secretaries 355
  - directors 342–3
- entrenched provisions in articles 116, 146

- equalisation, dividends 207
- equitable interests, share transfers 250–1
- equitable mortgages of shares 235–6
- estoppel
  - forged transfers 247–8
  - share certificates 231–2
  - share warrants 233
- European Companies (Societas Europaea) 5, 29
- ‘every step’ defence 427
- ex-dividend sales and purchases 203
- executive boards 5
- executive directors *see* directors
- expenditure 506
- expenses, administrators 568
- expiration of periods of office, directors 412–13
- expression, freedom of 434
- extraordinary general meetings (EGM) 440
- extraordinary resolutions 293, 580
  
- façades 33–4
- fair dealing by directors 190, 359–60, 368–75
- fair hearings 51–2
- fair trials, human rights 433
- false or misleading statements 214–17, 278, 519
- family life, human rights 433
- fees, directors 360–1, 363
- fiduciary duties 57
  - company secretaries 354
  - directors *see* directors: duties
- financial arrangements with directors 359–68
- financial assistance for purchase of own shares *see* own shares
- financial key performance indicators 512
- Financial Reporting Standard for Smaller Entities (FRSSE) 18
- Financial Reporting Standards (FRS) 198, 525
- financial services 48
- Financial Services Authority (FSA) 180, 212–15, 218, 220, 222, 269–71, 543, 544
- financial statements *see* accounts
- fixed charges
  - administration and 572
  - over book debts 484, 485–6
  - debentures 499
  - nature 484
  - preferences 498–9
  - ranking before floating charges 490–1
  - receivers 578
  - winding-up and 610
- fixed-term employment 342
  
- floating charges
  - administration and 568, 572
  - administrative receivers 417, 578
  - avoidance of 496–9
  - over book debts 485–6
  - crystallisation 486–7
  - moratoria and 561
  - nature 485
  - negative pledge clauses 491
  - partnerships reform proposals 50
  - postponement 487
    - employee protection 48–9
    - fixed charges 490–1
    - garnishee orders 491
    - hire-purchase 491–2
    - judgment creditors 491–2
    - other floating charges 491
    - landlords 492
    - preferential creditors 487–8
    - retention of title clauses 489–90
    - third party debt claims 491
  - preferences 498–9
  - qualifying floating charge holders (QFCH) 563–4, 565–6
  - registration 493
  - winding-up and 609, 610
- flotations *see* listing; prospectuses; public offers of securities
- foreign companies, compulsory winding-up 597–8
- forfeited dividends 203
- forfeiture of shares 237–8, 239
- forgeries 139, 231–2, 247–8
- Foss v Harbottle*, rule in 289, 290–301, 312, 317
- fraud 56–60, 216–17, 293–301, 354, 519, 521, 584, 612
- fraudulent trading 47, 420, 424–5, 604–5, 609
- freedom of expression 434
- freedom of thought, conscience and religion 434
- FRS (Financial Reporting Standards) 198, 525
- FRSSE (Financial Reporting Standard for Smaller Entities) 18
- FSA *see* Financial Services Authority
  
- garnishee orders 491
- general meetings *see* meetings
- good faith 130–1, 134, 183–5
- goodwill 199, 492
- groups
  - accounts 20–2, 41, 201, 509, 510–11
  - reality, human and commercial 34–7

- reconstructions 266–7
  - small and medium-sized 20–2
- guarantee, companies limited by 13, 27–8
- guarantees 183
- health and safety
  - directors' disqualification 420
- hire-purchase 491–2, 572
- holding out 134–8
- holiday pay 611
- human rights 51–2, 432–4
- IAS *see* International Accounting Standards
- inactive directors 422
- incorporation 13–14, 50–1, 65–71
- indemnities 183, 281, 405
- independent directors 351
- independent judgment, directors' exercising 389
- indictable offences
  - directors' disqualification on conviction of 419–20
- individual accounts 508–9
- indoor management rule (rule in *Turquand's* case) 132–3, 139
- Industrial Revolution 4
- information
  - to auditors from employees 519–20
  - information and consultation requirements 29
  - price-sensitive 180, 543
- injunctions
  - market abuse 271
  - by members 131
  - minority shareholders 299
  - non-redemption of redeemable shares 157–8
- insiders 140
  - dealings 180, 213, 267–9, 539, 541, 543–4
  - rights 100, 103–7
- insolvency 12, 577–8, 592–3
  - amalgamations 534, 535
  - centres of main interests 89
  - charges registration out of time 495
  - company rescue *see* company voluntary arrangements
  - corporate veil, lifting 41–2
  - directors 349
    - liabilities 41–2
    - powers 416–17
  - dividends and 205–6
  - EC Regulation on 597–8
  - employee protection 488–9, 611
  - financial assistance for acquisition of own shares 185
  - fixed charges 484
  - floating charges 487–92, 496–8
  - limited liability partnerships 48
  - receiverships 578
  - reconstructions 534, 535
  - winding-up
    - compulsory 579, 593–9, 601–11
    - creditors' voluntary 582, 583–5, 600–12
    - wrongful trading 391–2, 425–6
  - see also* administration; arrangements; company voluntary arrangements; compromises; winding-up
- insolvency practitioners (IP) 555, 584, 596
- inspections of registers of members 277–8
- Institute of Directors (IoD) 337
- insurance, directors' indemnities 405
- insurance company distributions 200
- insurers, third party rights against 607–8
- intellectual property 492–3
- interest 202, 478, 481, 599
- interests 267
  - centres of main 89, 597, 598–9
  - directors *see* directors
- interim dividends 202–3
- internal control 5
- International Accounting Standards (IAS) 18, 266, 508–9
- investigations by Official Receiver 596
- investment company distributions 200
- IoD (Institute of Directors) 337
- IP *see* insolvency practitioners
- irredeemable debentures 479, 481
- Jenkins Committee and unfair prejudice 321–2
- joint secretaries 356
- joint stock companies 3–4
- judgment creditors *see* creditors
- judicial reviews 543
- key performance indicators (KPI) 512
- land, charges on 492
- landlords
  - floating charges and 492
  - rights of forfeiture 571
- legal mortgages of shares 235, 236
- legal personality 2, 6–13, 49–50, 69, 291

- liabilities
  - accounting records 506
  - auditors *see* auditors
  - directors *see* directors
  - qualifying, administration 572
  - see also* limited liability
- liens 234, 236–7, 281, 493
- limited liability 3–5, 13, 26–8, 69, 179
- limited liability partnerships (LLP) 2–3, 44–9
- limited partnerships 42–4
- liquidation committees 600, 601
- liquidations *see* winding-up
- liquidators *see* winding-up
- listing 211–12
  - after-market, dealing in the 216, 217
  - applications for 212–13
  - circulars 219
  - corporate governance 362
  - default sanctions 214
  - directors' pay 362, 363–5
  - Disclosure and Transparency Rules, FSA 212, 282–3
  - discontinuance 213
  - dividends 204
  - false or misleading statements 214–17
  - Financial Services Authority (FSA) 212–15, 222
  - insider dealing 268
  - Model Code for Securities Transactions by
    - directors of listed companies 180, 271–2
  - particulars 213–14, 218
  - Rules 180, 204, 212–13, 222
  - sponsors 214–15
  - substantial share interests 282–3
  - suspension 213
  - takeovers *see* takeovers
  - transfers of listed shares 245–8
  - treasury shares 179–80
- LLP (limited liability partnerships) 2–3, 44–9
- LR (Listing Rules) *see* listing
- loans 26, 181, 183, 185–6, 235, 368–73, 482
- London Stock Exchange 212
- long-term contracts, directors 343
- loss of office of directors, compensation for 367–8
- losses
  - capital 196
  - realised and unrealised 198–9
- main proceedings, winding-up 597–8
- management 333–4
  - see also* directors; officers
  - management buy-outs (MBO) 181–2, 185, 190
  - managerial boards 5
  - managing directors 347, 352
  - market abuse 269–71, 543
    - see also* insiders: dealing
  - market purchases of own shares 173–4
  - material interests 372–5
  - material irregularities 556
  - MBO (management buy-outs) 181–2, 185, 190
  - medium-sized companies
    - accounts 18, 19
    - filing obligations 515
    - audits 18, 19–20
    - reports 515
    - definition 19
    - directors' reports 512, 515
    - groups 20–2
    - private companies 18
    - qualification criteria 505–6
  - meetings 438–9
    - adjournments 457–8, 459
    - amalgamations 536–7
    - annual general (AGM) 412–13, 415–16, 439, 446–7, 516
    - articles of association 439, 441–56, 460–5
    - boards of directors *see* directors: boards
    - chairmen 450, 451–2, 453
    - class meetings 459
    - committees of directors, quorums of one and 450
    - company voluntary arrangements 555, 558, 560
    - corporate representatives, 457
    - creditors *see* creditors
    - debenture holders 536–7
    - disability discrimination 460
    - electronic communications 456–7
    - extraordinary general (EGM) 440
    - general 440, 582–3, 584–5
      - annual *see* annual general *above*
      - auditors' attendance 519
      - convening 441
      - minority rights 441–2
    - members' voluntary winding-up 582–3
    - minority shareholders, rights of 441–2
    - minutes 458–9, 460, 464–5
    - notices 443–7, 463
      - auditors' receipt of 519
    - polls 451–3, 459
    - private companies 16–17, 439
    - proxies 448–9, 451–7, 459

- quorums *see* quorums
- reconstructions 536–7
- resolutions 446–7, 457–8, 459, 465–70
- single-member private limited companies
  - 16–17
  - by telephone by 465
  - voting 451–7, 464
- members 226, 275–6
  - administrators' accountability to 568
  - agreements 103, 108–11
  - annual returns 283–4
  - arrangements with 536–8
  - articles of association 103–7, 116–22, 531
  - bankruptcy 254–5
  - capacity 276–7
  - company voluntary arrangements *see* company
    - voluntary arrangements
  - compromises with 536–8
  - as contributories 594–5
  - control of companies' business and 347–8
  - controlling, as employed directors 344–5
  - damages 279
  - death of a shareholder 254
  - directors 282
  - directors' remuneration, voting on 363
  - directors' service agreements, inspection and
    - approval 362
  - dissenting, purchase of own shares 176
  - electronic communications 471–3
  - expulsion 119
  - indemnities 281
  - indexes of 277
  - injunctions by 131
  - liabilities, purchase of own shares 179
  - limited liability partnerships 45
  - Mental Health Act patients 254
  - minors 276–7
  - payment of, reduction of capital 167–9
  - personal representatives 254
  - powers 346–51
  - pre-emption rights *see* pre-emption rights
  - promoters, claims against 59
  - public companies' powers to investigate shares
    - 283
  - registers of
    - annual returns 284
    - directors holding share qualifications 346
    - inspection 277–8
    - location 284
    - obsolete entries 278
    - rectification 278–9
    - termination of membership 281
    - trusts, notices of 279–81
  - rights and *ultra vires* 86
  - shareholders' agreements 290
  - subscribers' contracts 226
  - substantial shareholdings 281–3
  - termination of membership 281
  - warrants 232–3
    - see also* minority shareholders
- members' voluntary winding-up *see* winding-up
- memoranda of association 78–79, 290
  - alteration 347, 348
  - auditors' familiarity with 521
  - as contracts 99–100
  - directors' appointment by subscribers to
    - 336
  - incorporation 65–6, 70
  - names 79–83
  - objects clauses 79, 83–7, 531
  - registered offices 88–9
  - registration 68–9, 79
  - share capital 87–8
- Mental Health Act patients 254
- mergers 265–6, 532, 534, 540
  - see also* amalgamations; takeovers
- minority shareholders 311–12
  - abuse of procedure 318–20
  - articles and memoranda 120–1, 290
  - collateral purposes 318–20
  - contracts 289, 290
  - derivative actions 299–308
  - directors' personal profits and 396
  - dividends 204
  - equal shareholdings 317–18
  - Foss v Harbottle*, rule in 289, 290–301, 312, 317
  - fraud on the minority 293–301
  - meetings 441–2
  - oppression 120–1, 291, 312
  - public companies 320–1
  - relief available 316–17
  - shareholders' agreements 290
  - unfair prejudice 204, 312–28
  - winding-up on just and equitable grounds,
    - petitions for 289, 322, 328–9
- minors 276–7
- minutes 375, 458–9, 460, 464–5
- misfeasance, directors 596
- misleading profit forecasts 541
- misleading statements *see* false or misleading
  - statements

- Model Articles *see* articles of association
- Model Code for Securities Transactions by
  - directors of listed companies 180, 271–2
- monopolies 534
- moratoria 557–61
- mortgage debentures 484
- mortgages of shares 234–6
  
- names of companies 13, 79–83, 590, 591
- National Insurance contributions, directors'
  - failure to pay 431
- National Insurance Fund 488, 611
- national minimum wage (NMW) 365–7
- nationality, directors' disqualification 421
- nature of companies 1–2
  - corporate veil, lifting 30–42
  - corporations, companies as 5–13
  - general features 2–3
  - human rights and companies 51–2
  - incorporation, advantages and disadvantages 50–1
  - limited liability, background to 3–5
  - partnerships compared 42–50
  - registered companies, classification 13–29
- negative pledge clauses 491
- negligence 58–9, 198, 217, 298–9, 391–3, 425, 521, 523, 524
- negligent misstatements 524–5
- negotiability 233
- net assets 183
- NMW (national minimum wage) 365–7
- nominees 245–6, 555–7, 558–60
- non-cash assets 26, 539
- non-executive directors 138–9, 336, 337, 351
- non-profit-making companies 507
- notes to accounts 19, 509–10, 511
- notice, payments in lieu of 611
- notice requirements, auditors 517–18
- notices of meetings 443–7, 463
- notices of resolutions 446–7, 468–9
- notifiable persons, striking off 587–8
- numbers
  - companies 590, 591
  - shares 230
  
- objects clauses 79, 83–7, 531
- off-market purchases of own shares 173, 174–5
- offer documents, takeovers 544–6
- Office of Fair Trading (OFT) 534–5
  
- officers
  - acts of 134–8
  - co-operation with liquidators 604
  - liquidators as 602
  - winding-up *see* winding-up
  - see also* company secretaries; directors
- Official List 212
- Official Receiver 595, 596–7, 601, 612
- OFT (Office of Fair Trading) 534–5
- ordinary resolutions *see* resolutions
- ordinary shares 144, 147
- outside directors 351
- outsider rights 100, 103–7
- own shares
  - acquisition 171–2
  - financial assistance for purchase 532
    - auditors' duties 190
    - fair dealing by directors 190
    - lawful 185–6
    - management buy-outs 181–2, 190
    - meaning 183–4
    - previous position 181–2
    - private companies 182, 186
    - prohibition 182–3
    - relaxation of restrictions 186
    - sanctions for breach of rules 186–90
  - purchase 173
    - capital preservation provisions 177
    - creditors dissenting 176
    - failure to 177
    - financial assistance *see* financial assistance
      - for purchase *above*
    - financing out of capital 175–6
    - liabilities of past shareholders and directors 179
    - market purchases 173–4
    - members dissenting 176
    - off-market purchases 173, 174–5
    - permissible capital payments (PCP) 175, 177–9
    - pre-emption rights 180
    - private companies 173, 175–6
    - publicity 176
    - reasons for 173
    - treasury shares 179–81
    - types of 173–5
- Panel on Takeovers and Mergers 181, 539–49
- pari passu* ranking of debentures 478
- participation, employees 5

- partitioning companies 535
- partnerships 3
  - companies, comparison with 42–50
  - dissolution 2, 44
  - formation 42–3
  - legal personality, reform proposals 49–50
  - limited 42–4
  - limited liability 2–3, 44–9
  - ordinary partnerships 42–4
  - status at law 43
- passing off 80–2
- payment of dividends 195, 202–4
- payments in lieu of notice 611
- PCP (permissible capital payments) 175, 177–9
- pension schemes, administration and 568, 570, 573–4
- permissible capital payments (PCP) 175, 177–9
- perpetual debentures 481
- personal claims 300
- personal liabilities of directors *see* directors
- personal profits of directors 394–402
- personal relationship companies 39–41
- petitioners, compulsory winding-up 594–5
- phoenix syndrome 431
- placings of shares 219, 220
- polls 451–3, 459
- postponement of floating charges *see* floating charges
- powers
  - administrators 568
  - auditors 519
  - boards of directors 349
  - borrowing 477
  - directors *see* directors
  - division of 96–8
  - liquidators 603
  - members 346–51
- pre-emption rights 180, 218, 227–9, 249–51
- preference shares 144, 147–51, 163
- preferences 498–9, 608–9
- preferential creditors *see* creditors
- preferential debts 610
- pre-incorporation contracts 61–5
- price-sensitive information 180, 543
- private companies 14
  - accounts 507, 513
  - company secretaries 354–5
  - deregulation 26
  - directors 347, 412–13
  - dividends 196, 197, 202, 204
  - financial assistance for acquisition of own shares 181–2, 186
  - Foss v Harbottle*, rule in 291, 292
  - limited liability partnerships and 48–9
  - meetings 16–17, 439
  - pre-emption rights 227–8
  - profits available for distribution 196, 197
  - public companies and, distinctions between 25–6
  - purchase of own shares 173, 175–6
  - redeemable shares 156
  - reduction of capital 163, 165–6
  - registration 25
  - re-registration
    - as public companies 71–2
    - of public companies as 73–5
    - as unlimited companies 74, 532
    - of unlimited companies as 74–5, 532
  - resolutions 16–17, 26
  - reverse acquisitions 547
  - share capital 25
    - reductions 28–9
  - shares *see* shares
  - single member companies 14–17
  - small and medium-sized companies 17–20
- private investors 4
- private life, human rights 433
- procedure
  - abuse of 318–20
  - rules of 300–1
- profit and loss accounts 17–19, 24, 196, 507, 509, 510–11, 514–15
- profits
  - available for distribution 195–7
  - capital 196
  - capitalisation 206
  - of directors 394–402
  - distributions 26
  - misleading forecasts 541
  - realised 197–200
  - secret 60, 604
  - undistributed 196
  - unrealised 196
- promoters 56–65
- proof, burden of, market abuse 170–1
- proof of debts 606–7
- proper plaintiff principle 289
- proper purpose rule 133–4, 227, 350–1
- property dispositions avoidance, compulsory winding-up 596
- property transactions, substantial 375

- prospectuses
  - Alternative Investment Market 220–1
  - approval by FSA 213
  - criminal offences 214
  - Directive 220–1
  - false or misleading statements 216–17
  - Financial Services Authority 218, 220
  - home state approval 221
  - need for 214
  - negligence 217
  - promoters 59
  - rights issues 218
  - Rules 212, 213
  - takeovers 540
  - unlisted securities 217
- provisional liquidators 595
- provisions 198, 199
- proxies 448–9, 451–7, 459
- public authorities, human rights and 432–3
- public companies 13–14
  - accounts 507, 513
  - auditors 516–18
  - certificates of incorporation 13
  - company secretaries 354, 355–6
  - connected persons 369
  - contracts 129–30
  - directors 336–7, 342, 347, 413
  - dividends 196–7, 202, 204
  - financial assistance for acquisition of own shares 182–3, 186
  - meetings 439
  - minimum share capital 13
  - minority shareholders 320–1
  - powers to investigate interests in shares 283
  - pre-emption rights 228
  - private companies and, distinctions between 25–6
  - profits available for distribution 196–7
  - purchase of own shares *see* own shares
  - registration 25
  - re-registration
    - as private companies 73–5, 239
    - of private companies as 71–2
  - s 761 certificates 13–14, 129–30
  - share capital 25
  - shares *see* shares
  - single-member 15–16
  - takeovers *see* takeovers
  - trading certificates 13–14, 129–30
  - treasury shares 179–81
- public examinations of officers 597
- public interest disclosures 519
- public offers of securities 217, 478, 539–41
  - see also* listing; prospectuses
- Public Trustee 5–6
- publication of accounts and reports 513–14
- publicity
  - directors 353–4
  - incorporation, in connection with 71
  - purchase of own shares 176
- purchase of own shares *see* own shares
- QFCH (qualifying floating charge holders) 563–4, 565–6
- qualifications
  - company secretaries 355–6
  - directors 337
- qualifying floating charge holders (QFCH) 563–4, 565–6
- qualifying liabilities, administration 572
- quantum meruit* 361
- quasi-loans 26, 368–73
- quasi-partnership companies 5, 100, 103–5, 109, 323–5
- quorums 16, 349–50, 447–50, 457, 459, 463–4
- quoted companies, filing obligations 515–16
- ready-made companies 70
- realised losses 198–9
- receipts 506
- receivers 486, 578, 610
- reconstructions 266–7, 532–8
- records, accounting 506–7
- redeemable debentures 479–80
- redeemable shares 156–8, 207
- reduction of capital 156, 162–3
  - class rights, variation or abrogation of 163–4
- court confirmation 163–5, 531
- criminal offences 166
- distributions 167
- financial assistance for acquisition of own shares 185
- forfeited shares 238, 239
- general procedures 163–5
- inability to pay debts 165
- payment of shareholders 167–9
- private companies 28–9, 163, 165–6
- re-registration 73–5
- solvency statements 163, 165–6, 531
- special resolutions 163, 165
- statements of capital 166



- types of 166–7
- unlimited companies 531
- write-offs 171
- redundancy, directors 342, 344, 416
- re-election, directors 412
- register of disqualification orders 430
- registered debentures 479, 482
- registered offices 47, 88–9
- registers of charges 496
- registers of debenture holders 479
- registers of directors 353
- registers of members *see* members
- registers of secretaries 355
- Registrar of Companies
  - administration termination 569
  - allotments, returns of 87, 229–30
  - annual returns 283–4
  - articles of association 115, 116
  - auditors' resignation 518
  - charges registration 494, 495
  - company secretaries 356
  - creditors' voluntary winding-up 585
  - directors' service contracts 354
  - disqualification orders register 430
  - filing of accounts and reports 513, 514–16
  - pre-emption rights 229
  - purchase of own shares 176
  - redemption of shares 158
  - reduction of capital 165, 166
  - resolutions, registration 468
  - restoration of companies 588–91
  - retention of title clauses 489, 490
  - striking off 579–82
- registration 4
  - allotments 229
  - articles of association 94
  - charges 492–5, 499
  - floating charges 493
  - limited liability partnerships 44
  - memoranda of association 68–9, 79
  - private companies 25
  - public companies 25
  - resolutions 468
  - retention of title clauses 489–90
  - share capital on 87
  - share transfers 243–4
  - shares 261
  - single-member companies 15–16
  - Societas Europaea 29
  - see also* re-registration
- reissue of debentures 480
- related arrangements 370
- relation back 596
- relevant accounts, distributions 200
- relevant audit information 520
- religion, freedom of 434
- removal
  - auditors 517–18
  - company secretaries 356
  - directors *see* directors
- remuneration, directors *see* directors
- reorganisations 342
- reports
  - auditors *see* auditors
  - directors *see* directors
  - failure to file 516
  - filing 513, 514–16
  - publication 513–14
- representative claims 300
- re-registration 71–2, 239, 263, 468, 532
- reserves 207
  - dividend equalisation 207
  - revaluation 199
  - undistributable 197
  - see also* capital redemption reserves; share premium accounts
- residence 88, 421
- resignation
  - auditors 518
  - directors *see* directors
- resolutions
  - amendments 468–9
  - articles of association 116, 465–70
  - constitutions 94
  - directors' contracts 343
  - directors' personal profits 396
  - distributions 201
  - electronic communications 468
  - extraordinary 293, 580
  - meetings 446–7, 457–8, 459, 464
  - notices 446–7, 468–9
  - ordinary 174, 293, 348–50, 364, 413–14, 467, 469–70, 580
  - purchase of own shares 174–6
  - reduction of capital 163, 165
  - registration 468
  - removal of directors 348, 413–14
  - re-registration as private company 468
  - seconding 467, 469
  - shares, forfeiture of 237
  - single member private limited companies 16–17

- resolutions (*continued*)
  - special 174–6, 163, 165, 293, 348, 466–7, 468, 470, 580
  - unanimous consent, *Duomatic* principle 469
  - voting 466–7
  - written 26, 348–50, 396, 465–7, 469–70
- restitution, market abuse 271
- restoration to register 588–91, 612
- restriction orders, administration 565
- retention of accounting records 507
- retention of title clauses 489–90
- retirement of directors *see* directors
- reevaluation reserves 199
- reverse acquisitions 547
- rights issues 218–19, 325
- ring-fencing mechanism for unsecured creditors
  - 570, 610
- Royal Charters 3–4
  
- s 761 certificates 13–14, 129–30
- Salomon* principle 5, 6–13, 30, 103
- schemes of arrangement 532–3
- SE (Societas Europaea) 5, 29
- seals 230
- secret profits 60, 604
- secretaries *see* company secretaries
- secured creditors *see* creditors
- secured debentures 479, 499
- securities seals 230
- service, directors' contracts of *see* directors:
  - contracts
- services, directors' contracts for 343, 362
- shadow directors *see* directors
- shams 33–4
- share capital 143
  - alteration 155–6
  - authorised 87–8
  - bonus shares 147
  - class rights 145–6, 151–5
  - consolidation 155
  - directors 87–8
  - guarantee, companies limited by 27
  - initial shareholdings 87, 145
  - memoranda of association 87–8
  - minimum 13
  - ordinary shares 144, 147
  - preference shares 144, 147–51
  - private companies 25
  - public companies 13–14, 25, 73–5, 239
  - purchase of own shares, financing out of
    - 175–6
  - redeemable shares 156–8
  - reduction *see* reduction of capital
  - registration 87
  - repayment on winding-up 149–51
  - on re-registration 73–5
  - statements of capital 66–8, 87, 145
  - subdivision of shares 155–6
  - uncalled 493
  - unlimited companies 28–9
    - see also* capital; shares
- share premium accounts 157, 177–9, 197, 219, 238, 264–7, 538–9
- shareholders *see* members; minority shareholders
- shares 225–6
  - 25% rule for public companies 229
  - accounting standards 266
  - acquisitions 265
  - allotments 87, 227–30, 347
  - articles of association 125–6, 228, 230, 232–4, 236–9, 243, 248–54
  - bearer 232–3
  - bonus 147, 185, 206
  - calls 233–4
  - cash, payment in 259
  - certificates 230–2, 235–6, 238, 245–6
  - companies limited by 13, 26–7
  - CREST 231
  - damages 261, 267
  - dematerialisation 245–6
  - directors *see* directors
  - discount, allotment at a 259, 263–4
  - employee share schemes 186
  - equality 144–5
  - estoppel, share certificates and 231–2
  - finances 229, 230
  - forfeiture 237–8, 239
  - forgeries 231–2
  - initial shareholdings 66
  - issues 156, 218–20
    - forfeited shares reissued 238
  - liens 234, 236–7, 281
  - mergers 265–6
  - mortgages 234–6
  - numbers 230
  - ordinary 144, 147
  - own *see* own shares
  - payments for 25–6, 232, 259–67
  - placings 219, 220
  - pre-emption rights *see* pre-emption rights
  - preference 144, 147–51, 163
  - premiums 264–7

- private companies 156, 227–8, 259–61
- proper purpose rule 227
- public companies 13–14, 73–5, 156, 227, 239, 261–3, 283
- redeemable 156–8, 207
- registration 261
- rights issues 218–19, 325
- stock, conversion into 226
- subdivision 155–6
- subscribers' contracts 226
- substantial interests in 282–3
- sub-underwriting 220
- surrender 239
- takeovers, dealings during offer periods 548–9
- title 231–2
- transfers 242–3
  - articles of association, restriction in 248–54
  - brokers 245
  - certification 246–7
  - CREST 245–6
  - custodian brokers 245
  - death of holders in joint accounts 248
  - dematerialisation 245–6
  - equitable interests 250–1
  - estoppel, title and 247–8
  - forged 247–8
  - forms 244–5
  - instruments lacking, rectification of registers
    - by court 244
  - legal transactions involved 244
  - listed shares 245–8
  - nominees 245–6
  - pre-emption rights 249–51
  - registration 243–4
  - rejection 251–4
  - stock transfer forms 244–5
  - trustees 255
  - unlisted shares 243–5, 246–7
  - veto, power of 243
  - winding-up 244
  - without written instruments 231
- transmission 254–5
- underwriting 219–20
- unlisted securities 217
- valuations 324, 521
- warrants 203, 230, 232–3
  - see also* share capital
- shelf companies 70
- signatories, directors' personal liabilities as 431
- single member limited companies 14–17
- skills 59, 356, 389–93, 520
- small companies
  - accounts 17–18, 19, 510
    - filing obligations 514–15
  - articles of association 103
  - audits 17–18, 19–20, 72, 507
  - company voluntary arrangements with
    - moratoria options 557–61
  - definition 19
  - directors' reports 511, 513
  - groups 20–2
    - private companies 17–18, 27
    - qualification criteria 504–5
- Societas Europaea (SE) 5, 29
- sole, corporations 5–6
- sole directors 412, 413
- solvency
  - declarations of 581–2, 599–600
  - statements 163, 165–6, 531
- some other substantial reason for dismissal 342
- South Sea Company and 'South Sea bubble' 3–4
- special resolutions *see* resolutions
- specialty debts 234
- specific performance
  - financial assistance 184
  - non-purchase of own shares 177
  - non-redemption of redeemable shares 157
- SSAP (Statements of Standard Accounting Practice) 198, 525
- statements of affairs
  - administration 567
  - company voluntary arrangements 555
  - compulsory winding-up 596
- statements of capital 66–8, 87
- Statements of Standard Accounting Practice (SSAP) 198, 525
- statutory accounts 513–14
- statutory demand 593
- statutory derivative actions 299–308
- statutory rules, realised profits 198–200
- stock 226
  - debentures 478–9, 482–3
  - see also* shares
- stock transfer forms 244–5
- stockjobbers 3
- stocktaking, auditors and 521–2
- stop notices 236
- striking off 579–80
  - administrative restoration 590–1
  - applications to Registrar 586–8
  - defunct companies 585–6
  - notifiable persons 587–8

- striking off (*continued*)
  - objections 580–1
  - offences 581
  - restoration to register by court orders
    - 588–91
  - solvency, declarations of 581–2
  - withdrawal of applications 580
- subsidiaries 183, 343, 510–11, 519–20
- substantial property transactions 375
- substantial shareholdings 281–3
- summary financial statements 513
- supervisors
  - company voluntary arrangements 557
- supervisory boards 5
- surrender of shares 239
  
- Table A *see* articles of association
- Takeover Code 539–49
- Takeover Panel 181, 539–49
- takeovers 534
  - competition and 534
  - compulsory acquisitions 546–7
  - concert, acting in 545
  - criminal offences 539, 541, 543
  - directors
    - duties 547–8
    - tactics 541
  - insider dealing *see* insiders: dealing
  - judicial reviews 543
  - mandatory bids 541, 544–6
  - market abuse 543
  - misleading profit forecasts 541
  - monopolies 534
  - offer documents 544–6
  - partial bids 540–1, 544
  - price-sensitive information 543
  - prospectuses 540
  - public offers of securities 539–41
  - reprimands 542, 543
  - reverse acquisitions 547
  - secrecy during negotiations 543–4
  - share dealings during offer periods 548–9
  - unfair prejudice 325
  - see also* acquisitions; amalgamations; mergers
- territorial proceedings, winding-up 597–8
- third parties
  - benefits, directors' non-acceptance of 403
  - debt claims 491
  - rights
    - articles of association and 107–8
    - against insurers 607–8
- thought, freedom of 434
- tort, auditors' liabilities in 523
- trading certificates 13–14, 129–30
- transfers
  - debentures 482
  - shares *see* shares
- transmission
  - debentures 482
  - shares 254–5
- transparency 212, 282–3
- treasury shares 179–81
- trials, human rights 433
- true and fair view 509, 510, 521
- trust deeds, debentures 480, 482–4
- trustees
  - connected persons 369
  - indemnities 281
  - liquidators as 602
  - share transfers 255
- trusts
  - registers of members, notices in 279–81
- Turquand's* case, rule in 132–3, 139
  
- UK Corporate Governance Code 362
- UK Listing Authority (UKLA) 212, 220
- ultra vires* 83–6, 130–4, 292, 348–9, 609
- unanimous consent, *Duomatic* principle 469
- uncalled share capital 493
- unclaimed dividends 203
- undercapitalised companies 428
- undertakings, directors' disqualification 423–4, 432
- undervalue transactions 608
- underwriting 219–20
- undistributable reserves 197
- undistributed profits 196
- unfair dismissal *see* dismissal
- unfair prejudice 47, 173, 204, 301–2, 289, 312–28, 396, 554, 556
- unfitness, directors' disqualification for 420–1
- unlawful distributions 204–6
- unlimited companies 28–9
  - reduction of capital 531
  - re-registration
    - as private limited companies 74–5, 532
    - of private limited companies as 74, 532
- unlisted securities 217, 243–4, 246–7
- unrealised losses 198–9
- unrealised profits 196
- unsecured creditors *see* creditors
- unsecured debentures 479, 480

- vacation of office, directors *see* directors
- valuations
  - asset revaluations 199
  - shares 324, 521
- veil, corporate *see* corporate veil
- voluntary arrangements *see* company voluntary arrangements
- voluntary winding-up *see* winding-up
- voting 233, 283, 451–7, 464, 466–7
  
- wages arrears 611
- waivers of directors' remuneration 363
- warrants 203, 230, 232–3
- websites 472–3
- whistleblowing 519
- winding-up
  - centres of main interests 597, 598–9
  - charges
    - invalidation 608–10
    - not registered 494–5
  - company secretaries 355
  - company voluntary arrangements, following 557
  - compulsory 417, 579
    - case law 598–9
    - completion 611
    - contributories 594–5
    - creditors 595, 611
    - dissolution 611
    - distribution of assets 610–11
    - foreign companies 597–8
    - grounds 593–4
    - investigations by Official Receiver 596
    - liquidators' powers 603
    - petitioners 594–5
    - presentation of petitions 595
    - property dispositions avoidance 596
    - public examinations of officers 597
    - statements of affairs 596
    - voluntary winding-up, by companies in 612
  - corporate claims 605
  - costs 610
  - creditors
    - damages entitlements 609–10
    - proof of debts 606–7
    - secured 608, 610
    - unsecured 610
  - creditors' voluntary 416, 582, 583–4
    - centrebinding 584, 603
    - completion 611
    - court applications 585
    - creditors' meetings 600
    - dissolution 585, 611
    - liquidation committees 600, 601
    - liquidators' appointments 584
    - liquidators' powers 603
    - rights of creditors and contributories 585
  - debts
    - deferred 607, 611
    - invalidation 608–10
    - preferential 610
    - proof of 606–7
  - directors 361
    - co-operation with liquidators 604
    - duties 387–9
    - examinations of conduct 605
    - fraudulent trading 604–5, 609
    - misfeasance 596
    - powers 416–17, 582, 584, 597
    - secret profits 604
    - vacation of office 416–17
    - wrongful trading 604–5, 609
  - employees 582, 584
    - third party rights against insurers 607–8
  - financial assistance for acquisition of own shares 185
  - guarantee, companies limited by 27
  - immoral purposes, companies incorporated for 70
  - just and equitable grounds, petitions for 70, 289, 322, 328–9
  - liquidators
    - administrators becoming 569
    - as agents 602
    - appointments 582, 584, 595, 596, 600–1
    - collection of assets 603–4
    - contributories list settlement 604
    - control by court 602
    - creditors' meetings 600
    - creditors' voluntary winding-up 584–5, 600
    - disclaimers 609–10
    - distribution of assets 610–11
    - duties 601–12
    - functions 578–9, 601
    - members' voluntary winding-up 582–3, 600
    - as officers 602
    - officers' co-operation with 604
    - Official Receiver 595, 596–7, 601
    - powers 603
    - provisional 595

- winding-up (*continued*)
  - release 611
  - swelling assets 604–5
  - as trustees 602
  - vacation of office 611
- litigation 605
- main proceedings 597–8
- members' voluntary 416, 582
  - completion 611
  - dissolution 611
  - liquidators' appointment 600–1
  - meetings 582–3
  - solvency, declarations of 599–600
- minority shareholders 289, 322, 328–9
- officers
  - co-operation with liquidators 604
  - examinations of conduct 605
  - fraudulent trading 604–5, 609
  - liquidators as 602
  - public examination of 597
  - wrongful trading 604–5, 609
- petitions
  - moratoria and 558–9
- preferences 608–9
- preferential dividend arrears 148–9
- purchase of own shares 177, 179
- redeemable shares 158
- repayment of share capital 148–9
- restoration to register 612
- ring-fencing mechanism for unsecured
  - creditors 570
- share transfers 244
- territorial proceedings 597–8
- undervalue transactions 608
- unlimited companies 28
- voluntary 535, 579–82
  - completion 611
  - compulsory winding-up by companies in 612
  - creditors' *see* creditors' voluntary *above*
  - dissolution 611
  - foreign companies 597–8
  - members' *see* members' voluntary *above*
- work in progress 507
- write-offs 171
- written resolutions *see* resolutions
- wrongdoer control 296–8
- wrongful dismissal 342, 345, 416
- wrongful trading 42
  - directors' disqualification 424–9
  - directors' duties and 391–2
  - directors' personal liabilities 424–9
  - directors, winding-up 604–5, 609
  - insolvency 391–2, 425–6
  - limited liability partnerships 47
  - officers 604–5, 609